DOCUMENT RESUME

ED 415 393 CE 075 600

TITLE Job Training that Works. Hearing before the Subcommittee on Human Resources and Intergovernmental Relations of the Committee on Government Reform and Oversight. House of Representatives, One Hundred Fourth Congress, Second Session.

INSTITUTION Congress of the U.S., Washington, DC. House Committee on Government Reform and Oversight.

ISBN ISBN-0-16-055418-7
PUB DATE 1996-04-18
NOTE 121p.
AVAILABLE FROM U.S. Government Printing Office, Superintendent of Documents, Congressional Sales Office, Washington, DC 20402.
PUB TYPE Legal/Legislative/Regulatory Materials (090) -- Opinion Papers (120)
EDRS PRICE MF01/PC05 Plus Postage.
DESCRIPTORS Adult Basic Education; Cooperative Programs; Educational Needs; *Employment Potential; *Employment Programs; Employment Services; Federal Legislation; Hearings; *Institutional Cooperation; *Job Skills; *Job Training; Models; Needs; Policy Formation; Postsecondary Education; Public Policy
IDENTIFIERS Congress 104th

ABSTRACT

This document reports the oral and written testimony submitted at a Congressional hearing on how job training works--how effective employment training programs succeed and how that success is measured. The hearing was based on a General Accounting Office study that found four hallmarks of effective job training: individual commitment, removal of personal barriers to employment, a focus on basic employment skills, and a close connection to the realities of the local job market. Witnesses included persons who had completed job training programs, operators of nonprofit organizations that conduct job training, government officials involved in job training programs, and representatives of corporations such as Marriott International that conduct extensive job training programs. The testimony focused on the need to coordinate efforts of job training programs so that potential participants do not have to work through a maze of hundreds of agencies. The witnesses pointed out that even well-educated people and professionals in the human services field have a hard time determining which agencies can help them and how to find those agencies. Some of the witnesses endorsed one-stop services such as those supported in the GI Bill and in a proposed Career Bill. (KC)

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ED 415 393

JOB TRAINING THAT WORKS

HEARING

BEFORE THE

SUBCOMMITTEE ON HUMAN RESOURCES AND INTERGOVERNMENTAL RELATIONS

OF THE

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

APRIL 18, 1996

Printed for the use of the Committee on Government Reform and Oversight

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U.S. GOVERNMENT PRINTING OFFICE
42-378 WASHINGTON : 1997

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Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
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JOB TRAINING THAT WORKS

THURSDAY, APRIL 18, 1996

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HUMAN RESOURCES AND
INTERGOVERNMENTAL RELATIONS,
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:15 a.m., in room 2247, Rayburn House Office Building, Hon. Christopher Shays, (chairman of the subcommittee) presiding.

Present: Representatives Shays, Martini, Sanford, Towns, and Green.

Staff present: Lawrence J. Halloran, staff director and counsel; Christopher Allred, and Robert Newman, professional staff members; Thomas M. Costa, clerk; and Cheryl Phelps, minority professional staff member.

Mr. SHAYS. Last year, we heard testimony from Secretary Reich on the correlation between earnings and education. In pointing to the direct relationship between wages and skills, the Secretary concluded, "Job training does work." Left unanswered was the question: How? How do effective employment training programs succeed, and how is that success measured?

We address these questions today. Clear answers are elusive. Despite more than 60 years of job training programs from New Deal and Great Society programs to the 1973 Comprehensive Employment and Training Act, CETA, and the current Job Training Partnership Act, JTPA, Federal employment training policy remains fragmented.

Multiple programs, conflicting eligibility criteria, and a preoccupation with process over outcomes all obscure the answers needed to focus and maximize Federal employment training efforts.

So we asked the General Accounting Office [GAO] to identify the essential elements of effective job skill training, training that enables disadvantaged adults to get and keep permanent well-paying jobs. In that review, we asked the GAO to look beyond the cluttered structural classifications that differentiate programs by funding source or instructional method. Instead, we asked them to determine the most basic traits of any well-established program that gets results.

According to the GAO, individual commitment, removal of personal barriers to employment, a focus on basic employment skills, and a close connection to the realities of the local job market are the four indispensable hallmarks of effective job training.

In short, successful programs achieve much because they strive for much. Their measure of success is not just job training, but a job. And not just any job, but employment in the mainstream of the local economy that offers that pay, benefits, and potential for advancement that are the start of a career.

These four basic principles take us beyond the sterile debate over program structure and offer the Department of Labor and Congress a qualitative standard against which to measure existing and proposed training initiatives. Categorical grants, block grants, vouchers, all can work, and they can all fail.

It is the substance, not the form of a training program that determines a successful connection to the unemployed person and the local job market. And that substance connects the lives of disadvantaged men and women to the world of work, self-esteem, and self-reliance. Testimony today from those directly involved in successful job training programs bears witness to the incalculable benefits both individual and societal when job training works.

As Congress considers how best to refocus 163 separate Federal employment training programs, spending more than $20 billion—that figure, by the way, blows my mind—we can be guided by the vision, experience, and hard-won success of our witnesses today.

Before yielding to my distinguished colleague, I just want to say, I am very excited about this hearing.

Mr. Towns.

Mr. TOWNS. Thank you. Let me begin by saying thank you, Mr. Chairman. I join you in your excitement. I'm pleased to say to you that I think that this is probably one of the most important hearings that we have had. We know that this Nation cannot get people off of welfare, stabilize and increase the middle class, or maintain our competitive advantage globally without producing jobs and a work force to fill them.

I mean, every week, we look in the newspaper, New York Times, and look at the ads of jobs. And it seems to me that we need to have better communication between the work force and also in terms of what's actually available and people that would like to work. I think we need to make certain that we have this kind of clarity, and the direction should be very clear.

Despite these facts, it is clear that the Federal resources devoted to improving job skills and opportunities, particularly those of the economically disadvantaged, are on the decline. And it appears likely that individual job training programs will have greater autonomy and less direction and oversight at the Federal level.

For these reasons, our understanding and facilitation of the key factors that contribute to effective employment and training programs is now critical. The GAO has identified four common factors to successful job training programs. No. 1, they said that clients should be committed, ready, and able to benefit from the program. No. 2, the barriers that limit the client's ability to be trained or to get and keep a job should be removed.

No. 3, training should include the essential behavior skills related to getting and keeping a job. No. 4, training should correlate to the needs of the local labor market.

Mr. Chairman, these criteria seem to be so basic that any failure to incorporate them into a job training strategy would be inexcus-

able. I welcome the views of today's witnesses as to the validity of these factors and additionally central factors. And what would prevent us from including these factors in a program strategy?

Finally, Mr. Chairman, as efforts to restructure job training programs progress, I'm very pleased at the recent steps taken to redesign the targeted Job Tax Credit Program into the new Work Opportunity Tax Credit Program. It makes a lot of sense.

I'm hopeful that final discussions concerning the WOTC Program will result in ensuring that adequate incentives exist for private sector employers to train and hire difficult-to-place workers.

So let me again thank you, Mr. Chairman, for calling this hearing. Because I think it's very timely, and I think it's something that is needed desperately. And I want to congratulate you for doing that, and I yield back.

Mr. SHAYS. I thank the gentleman.

At this time, I recognize the distinguished gentleman from Texas, Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman. I appreciate you calling this important hearing on the subject of job training. As we move to consolidate overlapping Federal job training programs, we must use the experience of today's panelists who develop and participate in successful job training programs.

Not all job training programs are created equal. We must foster programs that put a priority on skill-building and job retention and not just job placement. It's also in everyone's interest that we establish strong certification standards, that we weed out the fly by-night training programs, as well as prevent dishonest programs from training people in areas with weak job demand.

As a conferee on the job training bill, known as the careers bill, I'm pleased that the negotiations will resume this week, at least at staff level. The bill passed last year and yet hasn't been considered at least on the Member level yet. Two issues in particular are stumbling blocks, the role of the Governor versus local groups in structuring the programs and whether to mandate vouchers.

Interestingly, the main arguments are not from Democrats and Republicans but among House and Senate Republicans. It's my hope that we can come to an agreement soon so we can send this important piece of legislation to the President, and I look forward to hearing the testimony of today's panelists.

Mr. Chairman, again, this is a good example—and I've said it before—of overlap between my service on the Education and Equal Opportunity Committee and our committee. Thank you, Mr. Chairman.

Mr. SHAYS. I thank the gentleman. I would note for the record that we do have a quorum, and at this time, two housekeeping measures. I ask unanimous consent that all members of the subcommittee be permitted to place any opening statement in the record and that the record remain open for 3 days for that purpose. Without objection, so ordered.

I also ask unanimous consent that our witnesses be permitted to include their written statement in the record and without objection, so ordered.

At this time, as is the practice with all our witnesses, we ask you to stand, and we will swear you in.

[Witnesses sworn.]

Mr. SHAYS. For the record, I will now announce who our witnesses are: Carlotta Joyner, Director of Educational and Employment Issues, Health, Education, and Human Service Division, the General Accounting Office; Timothy Barnicle, Assistant Secretary, Employment and Training Administration, Department of Labor; we also have Raymond Uhalde, who is Deputy Assistant Secretary of Employment and Training Administration; and also Sigurd Nilsen. And your position, I'm sorry, sir?

Mr. NILSEN. Assistant Director.

Mr. SHAYS. Assistant Director of GAO for——

Mr. NILSEN. For Education and Employment Issues.

Mr. SHAYS. I interrupted you as you were saying that. If you would say it again.

Mr. NILSEN. Assistant Director for Education and Employment Issues.

Mr. SHAYS. That would be helpful. Thank you. I'm sorry we don't have a card for you. We should have.

It's wonderful to have all of you here. Are two people going to be giving testimony and the other two are support? So Carlotta Joyner will be first and Timothy Barnicle second. We welcome your testimony. Thank you for being here.

Ms. JOYNER. I thought I was over before I began. It was very short. I will be brief however, and then hope you ask——

Mr. SHAYS. We welcome your testimony.

Ms. JOYNER. Thank you.

Mr. SHAYS. Thank you.

STATEMENTS OF CARLOTTA C. JOYNER, DIRECTOR OF EDUCATION AND EMPLOYMENT ISSUES, HEALTH, EDUCATION, AND HUMAN SERVICES DIVISION, GENERAL ACCOUNTING OFFICE; AND TIMOTHY BARNICLE, ASSISTANT SECRETARY, EMPLOYMENT AND TRAINING ADMINISTRATION, ACCOMPANIED BY RAYMOND UHALDE, DEPUTY ASSISTANT SECRETARY, EMPLOYMENT AND TRAINING ADMINISTRATION

Ms. JOYNER. Mr. Chairman and members of the subcommittee, I'm very pleased to be here to talk about how certain employment training programs have been successful in helping economically disadvantaged adults. And as noted, I have Sigurd Nilsen with me from GAO, and we'll be glad to answer any questions you may have after my statement.

The strength of international competition has increased our awareness of the importance of a skilled work force, as you've noted, but it has also made us more aware of the large number of people who are really unprepared for employment that will be self-sufficient for them. And as you've also noted, the Federal Government now is spending $20 billion on the 163 programs intended to address that matter.

But the Congress, GAO, and others, have raised a lot of questions, have some concerns about the effectiveness of those programs. My testimony will summarize today that ongoing study to which you referred which we did at your request to try to see what effective programs seem to have in common.

And our report on that, which will be issued in early May, will lay out in more detail the common strategy that we found in these six employment training programs. These employment training programs that we selected—let me note—are ones that we believe have the evidence to support that they are very effective.

Three of them have job placement rates over 90 percent. And in the other three sites, over two-thirds of those who complete the training get jobs at completion.

The first chart, the chart that I have on the easel here, actually lists these projects for you. And let me tell you just a little about them, because they're quite different. And they differ in several ways.

For example, four of them are primarily federally funded. This would be Arapahoe County Employment Training Program and TPIC, which stands for The Private Industry Council in Portland. Those two were primarily funded from Job Training Partnership Act and Job Opportunities and Basic Skills funds.

These projects screen the clients, assess the clients' needs when they come in and then connect them with the community services that they need to provide the specific occupational skills training. Arapahoe primarily serves women on welfare, whereas TPIC serves a more diverse group of JTPA eligible clients.

CET—which stands for the Center for Employment Training in Reno—also provides for their clients subsidies for their training, arranges for them to get funds from multiple Federal sources—Pell grants, JTPA, State funds, JTPA farm workers—and they provide for these clients who are primarily Hispanic farm workers or former farm workers specific training in three different occupations, and they do this onsite.

Encore! in Port Charlotte, FL, is also primarily federally funded, but through the Perkins Vocational Education Program, more from a single source than from multiple sources. And they serve primarily displaced homemakers—you'll be hearing more about them later, I understand—women on welfare, or pregnant women. And they're very closely linked with a local vocational technical center which provides the occupational skills training for their clients.

Focus: HOPE in Detroit has some Federal funding but is primarily funded from other sources such as State economic development funds, and their focus is on training in manufacturing skills, especially machining, which is significant for the auto industry in that area. And they serve primarily African-American men.

STRIVE in New York also serves inner city minorities but does it with private funding. And they have private funding, a foundation grant that requires two-for-one matching from sources such as local employers. Their emphasis is very much on the attitudes that people need to be able to get jobs and to stay employed, to keep their jobs.

So although they're quite different, we have another chart that highlights for you the items that both of you have already alluded to about the common strategy and the four elements of that common strategy.

Mr. SHAYS. Sir, if you could—I'm sorry to interrupt you.

Ms. JOYNER. Yes.

Mr. SHAYS. If you could just put that along that back wall and leave it up, that chart that you're just taking up.

Ms. JOYNER. OK. That way, we'll have the listing available if you want to refer to that later. Great.

As far as the four features of their strategy, the first of these, as we said, is to ensure client commitment to training and getting a job, removing barriers, improving employability skills, and linking skill training to local needs. So let me say a little bit more about each one of those.

Regarding client commitment, these projects all felt that it was extremely important for them to exhibit some commitment. To express their commitment when they come in and for them, the projects, to help nurture and encourage that commitment.

The projects did such things as making sure project participants knew what they were getting into, giving them a clear sense of that; giving them a time when they could screen themselves out, they could opt out when they discovered or if they discovered it wasn't for them; and also to get them to clearly express their committment such as in signing a statement, "I am here for the training because I want to get a job."

The second feature is removing barriers. These projects considered barriers to be a wide range of circumstances that might keep them from entering the training and completing it and then getting and keeping the job. Some major ones were the need for child care, the need for transportation, and sometimes basic skills—that until they got their basic reading, writing, and math skills, there was no point in sending them to an occupational skills training program.

So they individually assessed the clients and then identified what services they need and either provided them or arranged for another provider to meet those barrier needs.

Regarding employability skills, what this refers to is really being able to function successfully in the workplace. Many of these clients haven't had those skills and haven't seen them being used by their peers or their family members. What the projects try to do is to encourage them to develop attributes such as dependability, reliability, resolving conflicts appropriately in the workplace. And they do this through workshops or one-on-one sessions in a variety of ways.

They strongly felt that it was important to link what they do to the local employer needs. For one thing, all of these projects help clients get jobs. To do that, they use their network of local employers and their connections to help them get jobs. The five of the six that also do occupational skills training use that connection to decide the occupations in which they'll provide training and in some ways how they'll provide it.

Taken together, these features in these successful projects really work to help the clients be successful in the training but more importantly get into jobs where they can become self-sufficient.

I'll be glad to answer any further questions you may have now or later.

[The prepared statement of Carlotta C. Joyner follows:]

Statement of Carlotta C. Joyner, Director
Education and Employment Issues
Health, Education, and Human Services Division

Mr. Chairman and Members of the Subcommittee

I am pleased to be here today to discuss how certain employment training projects have been successful in helping economically disadvantaged adults.

The strength of international competition has made us increasingly aware of the need for a skilled labor force and, at the same time, of the large number of individuals in this country who are unprepared for employment. To address this need, the federal government appropriated about $20 billion in fiscal year 1995 for 161 different training programs.[1] But the Congress, GAO, and others have become concerned that these efforts may not be as effective as we would like them to be.[2] Legislative changes have been proposed to address concerns about effectiveness, efficiency, and cost by consolidating a large number of federal programs into a limited number of block grants to states. Regardless of program structure, however, considerable uncertainty remains about how to make employment and training initiatives more effective in helping disadvantaged adults acquire and maintain permanent employment.

My testimony today will summarize the findings from a study we are completing, at your request, to see what effective

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[1]For a discussion of the broad range of federal training programs, see Multiple Employment Training Programs: Major Overhaul Needed to Reduce Costs, Streamline the Bureaucracy, and Improve Results (GAO/T-HEHS-95-53, Jan. 10, 1995).

[2]For example, see Job Training Partnership Act: Long-Term Earnings and Employment Outcomes (GAO/HEHS-96-40, Mar. 4, 1996) and Job Training Partnership Act: Services and Outcomes for Participants With Differing Needs (GAO/HRD-89-52, June 9, 1989). See also Larry L. Orr, and others, The National JTPA Study: Impacts, Benefits, and Costs of Title II-A (Bethesda, Md.: Abt Associates, Inc., 1994), Evaluation of the Food Stamp Employment Program (Bethesda, Md.: Abt Associates, Inc., June 1990), and International Trade and Worker Dislocation: Evaluation of the Trade Adjustment Assistance Program (Princeton, N.J.: Mathematica Policy Research, Inc., Apr. 1993).

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programs seem to have in common. In our report on that study--which will be issued in early May--we identify a common strategy used by some employment training projects considered by state employment and training officials and research groups to be successful in helping economically disadvantaged adults. For this study, we visited six projects that had demonstrated outstanding results, as shown by performance indicators such as project completion rates, job placement and retention rates, and wages at their first job.

In summary, we found that although the projects we visited differ in many ways, they share a common strategy that has four key features: (1) ensuring that clients are committed to training and getting a job; (2) removing barriers, such as a lack of child care, that might limit the client's ability to finish training and get and keep a job; (3) improving clients' employability skills, such as getting to a job regularly and on time, working well with others while there, and dressing and behaving appropriately; and (4) linking occupational skills training with the local labor market. Together these features help ensure that clients are ready, willing, and able to participate in and benefit from training and employment assistance and move towards self-sufficiency.

SIX SUCCESSFUL EMPLOYMENT TRAINING PROJECTS

All six projects serve adults who are economically disadvantaged, with a range of reasons why they have been unable to get and keep a job that would allow them to become self-sufficient. Many participants lack a high school degree or have limited basic skills or English language proficiency; have few, if any, marketable job skills; have a history of substance abuse; or have been victims of domestic violence.

The projects we visited had impressive results. Three of the sites had placement rates above 90 percent--two placed virtually all those who completed their training. The other three projects placed two-thirds or more of those who completed the program.

The sites differ in their funding sources,[1] skills training approaches, and client focus. For example:

-- We visited two sites that are primarily federally funded and target clients eligible under the Job Training Partnership Act (JTPA) and Job Opportunities and Basic Skills (JOBS) program. These sites are Arapahoe County Employment and Training in Aurora, Colorado, which is a suburb of Denver, and The Private Industry Council (TPIC) in Portland, Oregon. Both of these sites assess clients and then follow a case management approach, linking clients with vocational training available through community colleges or vocational-technical schools.

-- The Encore! program in Port Charlotte, Florida, serves single parents, displaced homemakers, and single pregnant women. Encore!'s 6-week workshop and year-round support prepare participants for skill training. It is primarily funded by a federal grant under the Perkins Act and is strongly linked with the Charlotte Vocational Technical Center (Vo-Tech).

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[1]JTPA and JOBS are the major federally funded employment training programs for the economically disadvantaged. Projects may also draw resources from higher education or vocational education monies, such as Pell grants or the Perkins Act. Even when a project receives most of its funding from one federal or state agency, its clients may receive support services from other sources. For example, a client may have training paid for by JTPA, while JOBS pays for child care services.

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-- The Center for Employment Training (CET) in Reno, Nevada, focuses on three specific service-related occupations and serves mainly Hispanic farmworkers. Participants may receive subsidized training from sources such as Pell grants, JTPA state funds, and the JTPA Farmworker Program, as well as grants from the city of Reno.

-- Focus: HOPE, in Detroit, Michigan, also serves inner-city minorities but emphasizes development of manufacturing-related skills. Its primary funding source in 1994 was a state economic development grant.

-- STRIVE, in New York City's East Harlem, primarily serves inner-city minorities and focuses on developing in clients a proper work attitude needed for successful employment rather than on providing occupational skills training. STRIVE is privately funded through a grant from the Clark Foundation, which requires a two-for-one dollar match from other sources, such as local employers.

Projects also differ in other ways, such as the way project staff interact with clients--customizing their approach to what they believe to be the needs of their participants. For example, STRIVE's approach is strict, confrontational, and "no-nonsense" with the East Harlem men and women in their program. In contrast, Encore! takes a more nurturing approach, attempting to build the self-esteem of the women, many of them victims of mental or physical abuse, who participate in their program in rural Florida.

ENSURING COMMITMENT TO TRAINING AND GETTING A JOB

One important feature of these projects' common strategy is ensuring that clients are committed to participating in training

and getting a job. Each project tries to secure client commitment before enrollment and continues to encourage that commitment throughout training. Project staff at several sites believe that the voluntary nature of their projects is an important factor in fostering strong client commitment. Just walking through the door, however, does not mean that a client is committed to the program. Further measures to encourage, develop, and require this commitment are essential. All the projects use some of these measures. Some of the things that projects do to ensure commitment are (1) making sure clients know what to expect, so they are making an informed choice when they enter; (2) creating opportunities for clients to screen themselves out if they are not fully committed; and (3) requiring clients to actively demonstrate the seriousness of their commitment.

To give clients detailed information about project expectations, projects use orientation sessions, assessment workshops, and one-on-one interviews with project staff. Project officials say that they do this to minimize any misunderstandings that could lead to client attrition. Officials at both STRIVE and Arapahoe told us that they do not want to spend scarce dollars on individuals who are not committed to completing their program and moving toward full-time employment; they believe that it is important to target their efforts on those most willing to take full advantage of the project's help.

For example, at STRIVE's preprogram orientation session, staff members give potential clients a realistic program preview. STRIVE staff explain their strict requirements for staying in the program: showing up every day--on time, displaying an attitude open to change and criticism, and completing all homework assignments. At the end of the session, STRIVE staff tell potential clients to take the weekend to think about whether they are serious about obtaining employment and, if so, to return on

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Monday to begin training. STRIVE staff told us that typically 10 percent of those who attend the orientation do not return on Monday.

Both CET and Focus: HOPE provide specific opportunities for clients to screen themselves out. They both allow potential clients to try out their training program at no charge to ensure the program is suitable for them. Focus: HOPE reserves the right not to accept potential clients based on their attitude, but does not routinely do this. Instead, staff will provisionally accept the client into one of the training programs, but put that client on notice that his or her attitude will be monitored.

All six projects require clients to actively demonstrate the seriousness of their commitment to both training and employment. For example, all projects require clients to sign an agreement of commitment outlining the client's responsibilities while in training and all projects monitor attendance throughout a client's enrollment. In addition, some project officials believe that requiring clients to contribute to training is important to encouraging commitment. Focus: HOPE requires participants--even those receiving cash subsidies--to pay a small weekly fee for their training, typically $10 a week. A Focus: HOPE administrator explained that project officials believe that students are more committed when they are "paying customers," and that this small payment discourages potential participants who are not seriously committed to training.

REMOVING BARRIERS TO TRAINING AND EMPLOYMENT

All the projects emphasize removing employment barriers as a key to successful outcomes. They define a barrier as anything that precludes a client from participating in and completing training, as well as anything that could potentially limit a

client's ability to obtain and maintain a job. For example, if a client lacks appropriate basic skills, then providing basic skills training can allow a client to build those skills and enter an occupational training program. Similarly, if a client does not have adequate transportation, that client will not be able to get to the training program. Because all the projects have attendance requirements, a lack of adequate child care would likely affect the client's ability to successfully complete training. Moreover, if a client is living in a domestic abuse situation, it may be difficult for that client to focus on learning a new skill or search for a job.

The projects use a comprehensive assessment process to identify the particular barriers each client faces. This assessment can take many forms--orientation sessions, workshops, one-on-one interviews, interactions with project staff, or a combination of these. For example, at TPIC's assessment workshop, clients complete a five-page barrier/needs checklist on a wide variety of issues, including food, housing, clothing, transportation, financial matters, health, and social/support issues. At the end of this workshop, clients must develop a personal statement and a self-sufficiency plan that the client and case manager use as a guide for addressing barriers and for helping the client throughout training. Encore! and Arapahoe have similar processes for identifying and dealing with barriers that clients face. Rather than relying on a formal workshop or orientation process, CET identifies clients' needs through one-on-one interviews with program staff when a client enters the program. Throughout the training period, instructors, the job developer, and other program staff work to provide support services and address the client's ongoing needs.

All the projects arrange for clients to get the services they need to address barriers, but--because of the wide range of individual client needs--none of them provides all possible

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services on-site. For example, although each project recognizes the importance of basic skills training, the projects arrange for this training in different ways. Arapahoe contracts out for basic skills training for clients, while CET, Encore!, and Focus: HOPE provide this service on-site and TPIC and STRIVE refer clients out to community resources. Only Focus: HOPE provides on-site child care; however, all five other projects help clients obtain financial assistance to pay for child care services or refer clients to other resources. Because some of the projects attracted many clients who have similar needs, these projects provide certain services on-site to better tailor their services to that specific population. For example, because it serves Hispanic migrant farmworkers with limited English proficiency, CET provides an on-site English-as-a-second language program. Likewise, because a major barrier for many of Encore!'s clients is low self-esteem resulting from mental and/or physical abuse, Encore! designed its 6-week workshop to build self-esteem and address the barriers that these women face so that they are then ready to enter occupational training.

IMPROVING CLIENTS' EMPLOYABILITY SKILLS

Each project we visited emphasizes employability skills training. Because so many of their clients have not had successful work experiences, they often do not have the basic knowledge others might take for granted about how to function in the workplace. They need to learn what behaviors are important and how to demonstrate them successfully. These include getting to work regularly and on time; dressing appropriately; working well with others; accepting constructive feedback; resolving conflicts appropriately; and, in general, being a reliable, responsible, self-disciplined employee.

Each project coaches students in employability skills through on-site workshops or one-on-one sessions. For example, CET provides a human development program that addresses such issues as life skills, communication strategies, and good work habits. Similarly, Arapahoe helps each client develop employment readiness competencies through a workshop or in a one-on-one setting with client case managers. Some of the projects also develop employability skills within the context of their occupational skill training, with specific rules about punctuality and attendance and, in some cases, appropriate clothing consistent with the occupation for which clients are training.

STRIVE concentrates almost exclusively on employability skills and, in particular, attitudinal training. This project has a very low tolerance for behaviors such as being even a few minutes late for class, not completing homework assignments, not dressing appropriately for the business world, and not exhibiting the appropriate attitude. We observed staff dismissing clients from the program for a violation of any of these elements, telling them they can enroll in another offering of the program when they are ready to change their behavior. Program staff work hard to rid clients of their attitude problems and "victim mentality"--that is, that things are beyond their control--and instill in them a responsibility for themselves, as well as make them understand the consequences of their actions in the workplace.

LINKING OCCUPATIONAL SKILLS TRAINING WITH THE LOCAL LABOR MARKET

All the projects have strong links with the local labor market. Five of the six projects provide occupational skills training, using information from the local labor market to guide

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training options for clients.[4] These projects focus on occupations that the local labor market will support. Project staff strive to ensure that the training they provide will lead to self-sufficiency--jobs with good earnings potential as well as benefits. In addition, all but one of the six projects use their links to local employers to assist clients with job placement. While their approaches to occupational training and job placement differ, the common thread among the projects is their ability to interpret the needs of local employers and provide them with workers who fit their requirements.

All five projects that provide occupational training are selective in the training options that they offer clients, focusing on occupational areas that are in demand locally. For example, CET and Focus: HOPE have chosen to limit their training to one or a few very specific occupational areas that they know the local labor market can support. Focus: HOPE takes advantage of the strong automotive manufacturing base in the Detroit area by offering training in a single occupation serving the automotive industry--machining. With this single occupational focus, Focus: HOPE concentrates primarily on meeting the needs of the automotive industry and the local firms that supply automotive parts. Students are instructed by skilled craftspeople; many senior instructors at Focus: HOPE are retirees who are passing on the knowledge they acquired during their careers. The machines used in training are carefully chosen to represent those that are available in local machine shops--both state-of-the-art and older, less technically sophisticated equipment. Job developers sometimes visit potential work sites,

[4]The sixth project (STRIVE) does not offer occupational skills training, but it uses its connections with local employers to get clients into the workforce after short-term training. Then it offers continuing assistance to clients for up to 2 years after course completion.

paying close attention to the equipment in use. This information is then used to ensure a good match between client and employer.

While offering a wide range of training options, the Vo-Tech, which trains Encore! participants, is linked to the local labor market, in part by its craft advisory committees. These committees involve 160 businesses in determining course offerings and curricula. The Vo-Tech recently discontinued its bank teller program shortly after a series of local bank mergers decreased demand for this skill. It began offering an electronics program when that industry started expansion in the Port Charlotte area. The Vo-Tech also annually surveys local employers for feedback on its graduates' skills and abilities, using the feedback to make changes to its programs. When feedback from local employers in one occupation indicated that Vo-Tech graduates were unable to pass state licensing exams, the school terminated the instructors and hired new staff.

All the projects assist clients in their job search. Five of the six projects had job developers or placement personnel dedicated to the task, who work to understand the needs of local employers and provide them with workers who fit their requirements. For example, at Focus: HOPE the job developers sometimes visit local employers to discuss their required skill needs. Virtually all graduates of Focus: HOPE are hired into machinist jobs in local firms. The placement staff that works with Encore! graduates noted that they have more positions to fill than clients to fill them. They feel that because of their close ties with the community and the relevance of their training program they have established a reputation of producing well trained graduates. This reputation leads employers to trust their referrals.

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Mr. Chairman, that concludes my prepared statement. At this time I will be happy to answer any questions you or other members of the Subcommittee may have.

For information on this testimony, please call Sigurd R. Nilsen, Assistant Director, at (202) 512-7003; Sarah Glavin, Senior Economist, at (202) 512-7180; Denise D. Hunter, Senior Evaluator, at (617) 565-7536; or Betty Clark, Senior Evaluator at (617) 565-7524.

(205323)

Mr. SHAYS. Thank you.

Mr. Barnicle.

Mr. BARNICLE. Thank you, Mr. Chairman, members of the committee, for the opportunity to testify today on this important GAO study.

Mr. SHAYS. Mr. Barnicle, I'm going to ask you—I know that we have some water in the way there, but I'm going to ask that the mic be pulled a little closer to you. Maybe you can move the water in front.

Mr. BARNICLE. How's that?

Mr. SHAYS. Yes. I don't think we need two things of water there. I'm going to ask that to be removed, give you a little more space. Thank you, sir. Get as close as you can. Thank you. That helps. Appreciate it. Thank you very much.

Mr. BARNICLE. Thank you, Mr. Chairman. And as I said, I welcome the opportunity to testify today on this important GAO study. With me is Ray Uhalde, who's our Deputy Assistant Secretary and a longtime professional within ETA.

I'm very pleased you're holding this hearing today on key elements of effective job training programs for the disadvantaged. Hearings that focus on quality and program improvement are, unfortunately, all too rare. I would also like to commend the GAO for their work on well-regarded employment and training projects. We agree with them that the four features they have identified are important if job training programs are going to be successful.

We're particularly gratified that five of the six local programs identified in the report receive JTPA funds. The findings in this GAO report are also reassuring. They reinforce the results of recent Labor Department research projects and the directions in which we're working to move our job training programs.

Because of the importance of job training programs to out-of-school youth and to dislocated workers, you may wish to consider asking the GAO to conduct a similar study of training programs directed primarily at youth and another for exemplary dislocated worker programs.

I'm particularly pleased that you have exemplary program operators here to testify. They're the most reliable and credible sources of advice to their peers across the country on what works. My experience in both the public and the private sector convinces me that peer-to-peer technical assistance is by far the most effective way in which program improvements are spread and embedded in practice.

In fact, the day before yesterday, I was in Louisville, KY, at a peer-to-peer session with our one-stop delivery system operators sharing their views. On Monday, I'll be in Providence, RI, with the people who run our Native American programs.

Another major effort to improve quality in which we are involved is called the Enterprise Council. It's very interesting. It's a stakeholder-run organization. It applies the Baldridge Award principles to job training, assists in spreading best practices, provides leadership and improved customer-focused service, and rewards our systems' best performers with the prestige of membership in Enterprise. This status is reserved for the highest performance based on

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program outcomes, and I can tell you it's valued greatly and held proudly by those who have achieved those standards.

Let me comment briefly on each of the four key features that the GAO report outlines, beginning with the client commitment to self-sufficiency. We agree with the notion of having enrollees sign contracts describing the mutual responsibilities of program operators and the clients. And we're exploring ways to enhance this commitment in our demonstration programs and in our system more generally.

All job training programs need to emphasize personal responsibility and personal accountability for individuals on performance. Regular attendance and sustained effort are the least we should expect of youth and adults in our programs. If they don't demonstrate this, they ought to be out of the program.

A second feature identified by GAO is addressing client barriers. We're beginning to realize more and more that short-term programs of only a few months typically can't overcome barriers to employment that have been years in the making. We have promoted the comprehensive assessment of client barriers and need for a long time. Congress made it mandatory in the 1992 reforms.

Along with the GAO, we strongly believe that not only should these barriers be assessed, they should be ameliorated. For this reason, we have promoted in our system creative collaboration with other local agencies, case management systems, and the effective use of scarce supportive services as the means to accomplish the strategy that GAO points to.

The third feature is teaching employability skills. Again, we completely agree with the GAO. Many low-income adults in job training programs need to better understand and comply with the basic requirements of the world of work if they're going to succeed. Attainment of these employability skills is also an important part of our youth performance standards.

The Secretary's Commission on Achieving Necessary Skills, SCANS, was created by then Secretary of Labor Elizabeth Dole, and with the cooperation of the business community, it identified the skills and qualities or know-how needed for solid job performance. That's an important piece of work that's embedded in the practice in the JTPA system today.

In addition, largely based on the success of the Center for Employment Training model, exemplified in the GAO report by the Reno site but originally started in San Jose about 25 years ago, and other models like it, the Department of Labor has been promoting the use of work-based learning in our job training program.

No principle identified by GAO is more important than its emphasis on building close connections with the private sector. We believe there are many different ways that these connections can be developed and nurtured. For example, training and education curricula have to match local employer expectations and respond to anticipated job openings. Students have to be given help in connecting to these jobs in many cases.

Aggressive job development and placement efforts were identified as critical to program success in our own 1991 research on this issue. Ensuring that adults' training choices are compatible with employers' demands also has been a key concern in the President's

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Projects Visited, Clients Served, and Funding

Project Name	Primary Population	Primary Funding Source
Arapahoe Aurora, CO	Women on Welfare	JTPA & JOBS
CET Reno, NV	Hispanic farmworkers	Multiple federal
Encore! Port Charlotte, FL	Displaced homemakers	Perkins Act
Focus: HOPE Detroit, MI	Inner-city minorities	State economic development funds
STRIVE New York, NY	Inner-city minorities	Private
TPIC Portland, OR	JTPA eligible	JTPA

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Employment and Training: Projects Share Common Strategy

Common strategy has four key features

- Ensure client commitment to training and getting a job
- Remove barriers to training and employment
- Improve employability skills needed to get and keep a job
- Link skill training to local employer needs

GI bill proposal and in the House-passed Careers Act referred to by Congressman Green.

We believe local employer involvement is critical in strategic policy development, in planning and in the oversight of the job training program on a very regular basis. And through the private industry councils, we're able to accomplish this to a significant degree in many places.

The Department of Labor has five main mechanisms for improving the effectiveness of training programs in this highly decentralized system.

First, we encourage replication of successful models. We have invested nearly $5 million in the last 5 years in the CET model that is replicated in Reno, to try to get this particular concept that seems to work so well by all kinds of evaluations, into many more communities around the country and available to many more people.

We also have pilots and demonstration projects to test out ideas that hold out the promise of being successful, such as the Youth Fair Chance projects that we have implemented around the country and are still in existence, evaluation of program effectiveness, the long-term JTPA study on a random assignment basis, probably one of the most sophisticated studies of program performance ever performed on any social program undertaken in the United States.

We also provide technical assistance in monitoring and institutionalized quality improvement devices like the Enterprise that I referred to.

The administration's proposed GI bill for America's workers and our fiscal year 1997 budget proposal to establish opportunity areas for out-of-school youth both build on what we know works and reflect to a large degree the successful strategies identified by the GAO.

The opportunity areas for out-of-school youth initiative contained in the President's budget has been developed in response to the pervasive joblessness of youth in high poverty rural and urban areas. This new out-of-school youth initiative is firmly grounded in the elements of successful programs identified by the GAO.

In conclusion, Mr. Chairman, we're gratified that we're the focus of the committee's interest on learning what works to enable the disadvantaged to enter the work force and aid workers undergoing job changes in today's economy. And we strongly concur that the best place to learn is from those who are already performing well.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Barnicle follows:]

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STATEMENT OF TIMOTHY BARNICLE
ASSISTANT SECRETARY OF LABOR
EMPLOYMENT AND TRAINING ADMINISTRATION
BEFORE THE
SUBCOMMITTEE ON HUMAN RESOURCES AND
INTERGOVERNMENTAL RELATIONS
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
UNITED STATES HOUSE OF REPRESENTATIVES

April 18, 1996

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to testify on the key elements of effective job training programs. I would like to commend the GAO for the report on well-regarded employment and training projects. We agree with the GAO that the four features they have identified are important if job training programs are to be successful, and we agree with GAO's conclusion that "together these features help ensure that clients are ready, willing and able to participate in and benefit from training and employment assistance and move towards self-sufficiency."

We are particularly gratified that five of the six local programs identified in the report receive JTPA funds. We will be interested in what future data show regarding employment retention and earnings of participants in these programs so we can determine the extent to which these strategies help individuals achieve long-term self-sufficiency. There also are several additional features that others have identified, and I will discuss them later in my testimony. These are features we will continue to promote both in our current job training programs and in designing new initiatives.

The findings in this GAO report reinforce the results of recent Labor Department research projects and the directions in which we are moving our job training programs. For example, amendments in 1992 made extensive assessment of a client's needs a requirement for the Job Training Partnership Act (JTPA) system. The report also underscores that job training programs, if operated well, can be effective.

I am particularly pleased that you have exemplary program operators here to testify today. They are the most reliable and credible sources of advice to their peers across the country. My experience in both the public and private sectors has convinced me that "peer-to-peer" technical assistance is the most effective way in which program improvements are spread and imbedded in practice, and we are continuing our efforts to support such activity. One such major effort is called the Enterprise Council. It is a stakeholder-run organization in which we are proud to participate. It applies Baldridge Award principles to job training, assists in spreading "best practices", provides leadership in improved "customer-focused service", and rewards our system's best performers -- our elite -- with the prestige of membership in the Enterprise.

Based on my own experience, over a period of nearly 25 years in training and employment policy, I am convinced that these training programs, while always subject to improvement, do help the poor and the unemployed. If I did not think this were the

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case -- and that these programs could do an even better job -- I would never have agreed to serve in my current position.

Because of the importance of job training programs to out-of-school youth and to dislocated workers, I also would suggest that you may wish to ask the GAO to consider conducting a similar study of training programs directed primarily at youth, and another of exemplary dislocated worker programs.

In this testimony, I will discuss current efforts at the Department to improve our training programs and specifically to promote adoption of "best practices" and how the GAO report relates to new job training initiatives, particularly the President's proposed out-of-school youth initiative. I will begin by briefly commenting on each of the four key features of successful programs identified by GAO:

1. **Client Commitment to Self-Sufficiency.** We agree with the notion of having enrollees sign contracts describing the mutual responsibilities of the program operators and clients, and we are exploring ways to enhance this commitment in our demonstration programs. Current practice on how to enhance client motivation varies widely. One common practice is to utilize initial client orientation sessions as a way to weed out the unmotivated. With this, as with some of the practices endorsed in the report, we need to be concerned about the possibility of creaming of clients, in which programs try to enroll only participants who are most job ready and reject those whose needs are greater.

Another problem faced by job training programs is that enrollees may feel stigmatized in that they are part of a second-chance program and because they need to be poor or unemployed to be eligible for services. Emphasizing mutual responsibilities and personal accountability serves to diminish such a stigma.

All job training programs need to emphasize personal responsibility and accountability for individual performance. Regular attendance and sustained effort are the least that we should expect of youth and adults in our programs. If they do not demonstrate this, they should not be in the program.

The Job Corps takes this approach to personal responsibility a step further. All Job Corps students must sign a statement indicating their full understanding of Job Corps' zero tolerance for violence and drugs policy and their agreement to abide by it. The policy includes a "one strike and you're out" provision which results in immediate expulsion of any student committing a serious offense.

2. **Addressing Client Barriers.** We are beginning to realize more and more that short-term programs of only a few months typically cannot overcome barriers to employment that have been years in the making. We have promoted the comprehensive assessment of client barriers and needs for a long time. Along with the GAO we strongly believe that not only should these barriers be assessed -- they should be ameliorated. For this reason, we have promoted to the JTPA system creative collaboration with other local agencies, case management in our

programs, and effective use of scarce supportive services -- the means by which to operationalize the strategy recommended by the GAO.

We also have promoted this approach in our youth demonstrations and have focussed on the need for longer-term services. In designing new programs for youth, we are building in the idea of follow-up services such as counseling for up to two years. Such follow-up services are used in Project STRIVE -- one of the exemplary employment and training programs identified in the GAO report, and also has been shown to be effective at the Children's Village in transitioning foster children to independence and the work force. In the Job Corps program, participants can stay enrolled for up to two years. We all need to keep in mind, though, that longer term programs with additional supportive services are more costly per participant.

3. **Teaching Employability Skills.** We are gratified that GAO shares the Department of Labor's long-held opinion that many low income adults in job training programs need to better understand and comply with the basic requirements of the world of work. Attainment of these employability skills are an important part of our youth performance standards system as well as the focus of the Secretary's Commission on Achieving Necessary Skills (SCANS) reports. SCANS was created by then-Secretary of Labor Elizabeth Dole and continued with the support of former Secretary Lynn Martin. Chaired by former Secretary of Labor William Brock, SCANS identified the skills and qualities or "know-how" needed

for solid job performance, and this information is being utilized by many schools and employers.

Furthermore, largely based on the success of the Center for Employment Training (CET) model and other models like it, the Department of Labor has been promoting the use of work-based learning in our job training programs. This is one of the key principles of the Administration's School-to-Work initiative. It also is practiced at our Job Corps centers and is a central part of new out-of-school youth initiative.

4. Close Connections to the Private Sector. No principle identified by the GAO is more important than its emphasis on building close connections with the private sector. We believe there are many different ways these connections can be developed and nurtured -- for example, training and education curricula must meet or exceed local employer expectations, respond to anticipated job openings, and students must be given help in connecting to these jobs.

Aggressive job development and placement efforts were identified as critical to program success in our own study on improving the quality of training completed in 1991. Ensuring that adults' training choices are realistic and compatible with employer demand also has been a key concern in the President's G.I. Bill proposal and the CAREERS Act, which passed the House by an overwhelming margin.

We believe that local employer involvement also is critical in strategic policy development and planning and in oversight for

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job training programs. For that reason, the Administration strongly supports the continuation of local private sector led job training boards under pending job training legislation.

We would build on GAO's observation about the importance of private sector links by recommending that programs, particularly those for youth, include work-based learning components. Internships, well-designed on-the-job training, and other forms of work-based learning are useful for several purposes. They can be motivational tools, testing grounds to refine skills learned in traditional classrooms, and tryout periods for students to learn about different careers or employers. Work based learning also provides an introduction to employers for future employment and thus, helps ensure high placement rates and retention rates for local programs. Our leadership role in promoting work-based learning and strong links to the private sector is longstanding and consistent and certainly supports the GAO findings.

There are some findings of recent research reports that support or complement the results of this GAO study. Economist Andrew Sum of Northeastern University, a leading expert on evaluations of youth training programs, has identified several key factors relating to increasing the earnings of youth enrolled in job training programs. These include quality training; incentives for youth to stay in the program long enough to benefit from it; employment opportunities for youth while they are enrolled in training; and strong job development and placement components linked to the private sector.

In addition, Joseph Stillman of the Conservation Company has identified common elements of promising workforce development programs. These include a sufficient level of resources to make a difference in communities; a sustained, long-term commitment to community development; flexibility in trying new approaches and adapting models to local circumstances; effective marketing to multiple constituencies; and a tangible, clear goal -- that more poor people have jobs or better jobs.

CURRENT LABOR DEPARTMENT EFFORTS TOWARDS PROGRAM IMPROVEMENT

The Department of Labor has five main mechanisms for improving the effectiveness of training programs: (1) encouraging replication of successful models, (2) pilots and demonstrations to test promising new approaches, (3) evaluation of program effectiveness, (4) technical assistance and monitoring, and (5) institutionalized quality improvement efforts.

The best example of Labor Department replication efforts to improve program effectiveness is our work with the CET program. The original CET site in San Jose has been shown to be effective in two separate net impact evaluations, one sponsored by the Rockefeller Foundation in the late 1980's and the other conducted by Manpower Demonstration Research Corporation in 1993. In these evaluations, applicants to CET were randomly assigned to treatment and control groups, much the same way as a new medical drug would be tested. In the first evaluation, the CET program increased the earnings of minority single female parents by $1,000 a year through the fifth year of follow-up. In the second

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evaluation, CET was able to increase the earnings of high school dropout youth by $3,000 a year in the last two years of the four-year follow-up. Based on these very impressive results, we moved to replicate the CET model in other parts of the country. Many persons associate the CET program with only the San Jose site, but the program now operates in 40 sites across the country, including 16 sites started through our replication efforts, in which we have invested $4.55 million over the past five years.

The Labor Department operates a number of pilot and demonstration projects, and the goal of these projects is to eventually lead to better ways of conducting employment and training programs. For example, in the Youth Fair Chance demonstration that began in the early 1990's, we invested $20 million in seven pilot sites -- concentrating resources in relatively small geographic areas in the hope of bringing about community-wide change. Preliminary results from this demonstration indicate that high school dropout rates have gone down in six of the seven pilot sites and teen parenthood rates have declined in all six of the sites for which data is available.

The best example I can provide of demonstration programs improving program performance is the New Jersey dislocated worker demonstration funded by the Department. As part of the random assignment evaluation of the demonstration, we found that it was possible to identify dislocated workers who would likely have long spells of unemployment. Such "worker profiling" has now

been incorporated into the Unemployment Insurance (UI) system, and reemployment services are now provided to workers expected to have long stays on UI. The Congressional Budget Office has estimated that worker profiling will save $764 million in UI expenditures over the next five years.

The Labor Department is in the forefront in applying random assignment evaluation methods to social service programs. These methods have been developed in medical science to test new drugs, and are widely regarded as the most rigorous and valid tests of effectiveness. In an era of tight budget constraints, there are risks that the findings of such studies will be used to eliminate programs rather than improve them. However, we must continue to refine and utilize this critically important tool and interpret the results in an objective, nonpartisan manner.

In the late 1980s, we implemented the National JTPA Study in which over 20,000 applicants to disadvantaged adult and out-of-school youth job training programs were randomly assigned to treatment and control groups. In the 30-month follow-up results reported two years ago, this evaluation found that adult job training programs clearly pay for themselves in terms of benefits to society within the first two-and-a-half years. Results for youth in the 30-month follow-up were not as promising. GAO recently released a five-year follow-up study using the same JTPA sample, and the results for adults continue to demonstrate program effectiveness. The GAO results for out-of-school youth look much more promising than they did initially.

We also are currently conducting a major random assignment evaluation of the Job Corps program, which will cost $20 million over a period of eight years. We have worked closely with Congress in designing and implementing this Job Corps study. An earlier evaluation of Job Corps found that the program increased participants' post-program earnings, reduced their participation in welfare programs, and reduced the costs to society of their criminal activity. The study found that Job Corps returned $1.46 to society for every dollar spent.

The Department also has launched a number of technical assistance ventures with our state, local and association partners to improve program quality, customer service, and system performance and to embed quality practices within the job training system. Examples include the following activities:

- **The Enterprise** -- which I mentioned earlier -- promotes quality practices and a system of certification for quality organizations throughout the workforce development system at the State and local levels, through the development of Malcolm Baldrige Award-based measures and standards for membership, and training in quality principles.

- The **Promising and Effective Practices Network** (PEPNet) represents a fresh approach to identifying the best in youth programs. ETA funded the National Youth Employment Coalition, to establish standards, methods of measurements, a nomination process and recognition for youth programs that have demonstrated their effectiveness or potential. We expect that those meeting the criteria will become models for replication.

- **Simply Better!** helps workforce development organizations at the State and local level to improve quality practices through the development of quality tools and the provision of training in their use.

- The **One-Stop Career Center System** builds State and local level systems that embody quality principles and practices.

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- A **Professional Development and Training Panel** is improving the knowledge and skills levels of workforce development staff across the system through the development of coordinated capacity building plans and activities.

We help States and localities improve quality practices through surveys and technical assistance in customer satisfaction and the development of and training in appropriate measures and measuring techniques. We also have commissioned a number of quality improvement research projects including, for example, a study of the impact of case management strategies on program outcomes and enrollment policies in JTPA projects.

The JTPA program is unique among social service initiatives in the amount of information gathered about program participants, services received, and program outcomes. The Standardized Program Information Reporting (SPIR) system -- now in its third year -- is a national automated data base which includes relevant information on individuals who exit most JTPA training programs in a given year. This information is a useful management tool that identifies high- and low-achieving local service delivery programs and provides benchmarks for continuous quality improvements throughout JTPA. It also supports policy and management analysis by showing which services lead to higher wages and retention in jobs up to three months after leaving JTPA.

NEW JOB TRAINING INITIATIVES

The Administration's proposed G.I. Bill for America's Workers and our Fiscal Year 1997 Budget proposal to establish Opportunity Areas for Out-of-School Youth both build on what we

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know about what works and reflect, to a large degree, the successful strategies identified by the GAO.

Under the GI Bill, workers who need skill training would be empowered with resources -- skill grants -- and information to make good training choices, taking responsibility for their choices and making the most of them. The CAREERS Act also embodies this approach, requiring all States to establish a skill grant system for adult training.

Another important feature of the G.I. Bill for America's Workers and the CAREERS Act passed by the House is to link local employer needs to training that will result in job placement -- one of the strategies GAO found to be successful. There are several ways in which this is accomplished under these measures.

First, a quality labor market information system would be created that will accurately identify current and projected jobs in demand in the local and regional labor market, and the skills required for those jobs.

Second, this high-quality labor market information would be readily available at easily accessible one-stop career centers.

Third, consumer reports on the quality of local training providers would help individuals make informed choices on training and would be able to use skill grants to enroll in local education and training institutions.

Finally, local workforce development boards would be responsible for planning and overseeing the local job training system. Majority business representation on these boards means

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there would be strong local employer involvement in the design and operation of local programs. I am pleased that these features are incorporated in the House-passed CAREERS Act (H.R. 1617) that is currently in House-Senate conference.

I would note that we have already taken steps to begin to put this new system in place. All States have received America's Labor Market Information System grants to start developing better local information on which jobs are available, which skills are in demand, which occupations are growing and which declining, and on the performance and job placement records of local training institutions. In addition, State public Employment Services have cooperated to build "America's Job Bank," a national labor exchange, by sharing job openings that have not been immediately filled in the local labor market. America's Job Bank is now available on the Internet and provides access to 400,000 job openings daily; it is one of the most popular Internet sites and has been recognized by PC Magazine as "one of the top 100 Web sites." In the month of March there were nearly five million hits -- double the number in December 1995. America's Talent Bank, a novel way to allow Americans to post resumes so employers can electronically access them, has been launched in four States -- Michigan, Missouri, North Carolina, and Utah.

The Opportunity Areas for Out-of-School Youth initiative, proposed in the President's FY 1997 Budget, has been developed in response to the pervasive joblessness of youth in high-poverty urban and rural areas. The employment rate for out-of-school

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youth in such areas is only 46 percent, and the proportion of young African-American high school dropouts in such areas who are currently employed is less than 10 percent. These figures reflect a growing concentration of poverty, a development that makes this problem extremely tough to ameliorate. Researchers such as William Julius Wilson suggest that the pervasive joblessness in inner cities, especially among males, underlies many of the ills of our urban areas--crime, poverty, teen pregnancy, drug abuse, and welfare dependency.

The costs to society of allowing this situation to continue are enormous. Over a lifetime, the average high school dropout will earn $230,000 less than a high school graduate and contribute $70,000 less in taxes. Babies born to teen mothers are at heightened risk of low birthweight, and the average lifetime medical cost of low birthweight infants is $400,000. One half of all African American male high school dropouts under age 25, and three quarters of the dropouts between 25 and 34, are under some form of justice system supervision, and our country spends $25 billion on criminal corrections. Each year, the U.S. spends roughly $20 billion in payments for income maintenance, health care, and nutrition to support families begun by teenagers.

We are anxious to work with Congress to further refine our proposal to increase employment rates of out-of-school youth ages 16 to 24 in high-poverty areas from current levels of less than 50 percent to 80 percent, to increase their long-term earnings

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levels, and thus have profound impacts on all aspects of life in these communities and in the quality of life of all of us. The initiative will have other positive, long-term effects including increased high school graduation rates, college enrollment rates, and wage levels for youth in these areas.

This new out-of-school youth initiative is firmly grounded in the elements of successful programs identified by GAO. We will have signed contracts with enrollees describing their responsibilities. We will emphasize comprehensive services that have a realistic chance of breaking down the barriers to employment faced by these youth. We will focus on efforts to increase the long-term employability of these youth. We will emphasize a strong private sector role, and private sector job commitments will be a major part of the initiative.

In conclusion, Mr. Chairman, we are gratified with the focus of the Committee's interest on learning what works to enable the disadvantaged to enter the workforce and aid workers undergoing job changes in today's economy. Your interest and that of the GAO's -- as exemplified by its report on key "features" that can help prepare clients acquire the skills and knowledge to find jobs and be successful in today's economy -- are to be commended.

We need to know more about how to improve the quality and performance of job training and employment services. This means knowing more about evaluating and measuring performance, investing in additional research and replications to continue to improve our understanding of what works and what doesn't, and

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getting this important information -- including the GAO's report -- into the hands of front-line training and employment professionals. We need your support for these efforts to continue to improve quality.

Effective job training and employment services organizations in the future will be characterized as learning organizations with highly trained and flexible staff. The people who will lead these organizations into the 21st century are those with the management, analytic, and communications skills to generate greater productivity with limited job training and employment investments. Most importantly, they will understand how to help people help themselves be better citizens, workers, and parents -- something that John Stuart Mill understood when he wrote about personal commitment over 100 years ago -- "Ask a man to do nothing for his country, and he will have no love for it."

We look forward to working with you and Committee members on improving on our Nation's efforts to prepare the American workforce for the 21st century and to strengthen our position in the global economy.

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Mr. SHAYS. Thank you, Mr. Barnicle, and thank you, Ms. Joyner.

I'm going to ask a few questions. I am going to do something that used to happen in my household 30 years ago. My Dad would go into New York as a commuter, and he would come home and he would tell me what Ann Landers said. I'm going to tell you what Ann Landers said in my calendar for Wednesday the 3d.

"In the final analysis, it's not what you do for your children but what you have taught them to do for themselves that will make them successful human beings." And this is the area that I have wrestled most with as a Member of Congress—am I a caretaker, or am I a caring person teaching people how to grow the seeds? And I think that's really what is a basic theme in your four points here.

First of all, I want to clarify the $20 billion number. Does that also include all the student loan grants and so on? Break down that $20 billion for me a little so we can—I want to isolate what truly are the job training——

Mr. NILSEN. The $20 billion includes—it's funds, federally appropriated funds for out-of-school youth and adults that's used in job training. Some of the student loan money is used in job training as opposed to a baccalaureate degree. We took only the portion that goes to job training. That does not include all the higher ed loans for people in 4-year colleges.

Mr. SHAYS. So a school of cosmetology would be part of that $20 billion?

Mr. NILSEN. It would be, yes.

Mr. SHAYS. But going to UCoan, taking out a loan—you, of course, have heard of UConn?

Mr. NILSEN. Yes, of course. Storrs. Storrs. [Laughter.]

Mr. SHAYS. Thank you.

Mr. NILSEN. No, a 4-year college would not be included in that figure.

Mr. SHAYS. OK. That's a very interesting number. Where do you think you most agree and most disagree with the other?

Ms. JOYNER. I'm sorry. I didn't hear the last part of the question.

Mr. SHAYS. I would like to know where you most agree with the Department of Labor and where you most agree on their approach to job training. And I'm going to ask the same question of the Department of Labor. I'm not looking to start a fight. I'm just looking to understand where the line of differentiation may take place.

Ms. Joyner.

Ms. JOYNER. OK. I don't see any fundamental disagreement in what we're saying. I mean, it's hard with someone who has said, "We agree with you, GAO, and we're doing the same things."

I think that the message that we're bringing from the places that we visited and we analyzed what we saw there—why I'm convinced that Mr. Barnicle is correct in saying that in various places, their approach has supported that, in fact, has helped develop some of these approaches that we saw, I think that—I don't know for sure how the individual centers and the individual projects that are funded by the Department of Labor funds, such as JTPA, carry out their activities.

I know that there has been some concern in the past about extent to which they cream—or the incentives would urge them to

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take people who they can be sure would have high—they could get high placement rates with those people. And I would just like to clarify that when we're talking about ensuring commitment to training, we're not talking about taking those people who you know you can place so that your statistics will look good.

So what we're talking about here and what we have heard from people is that they will serve and gladly serve and, in fact, target their services to people who are very hard to place, people who are ex-offenders with little or no work histories and lots and lots of barriers. But when they say that they want to ensure that they're committed when they come in, that what they're getting at is that no matter how poor your past record may have been, you've now reached a point where you know you've got to do something. So, I mean, that might be one——

Mr. SHAYS. One area that might be the issue, Mr. Barnicle, on page 3 when you express the concern about determining someone's motivation and then wondering if that can't be used as a base to cream, to take the best, I have my own feelings about that I'm going to express in a second.

Where do you think you might have the biggest warning sign with these six studies that were done? Where would you most likely disagree with the GAO study? I want to make sure I'm looking at the same area you are.

Mr. BARNICLE. I don't disagree with any of the statements in the GAO study. There are some that I agree with more strongly.

Mr. SHAYS. Where do you agree with least strongly? This is not a trick question. I'm just trying to focus. Your statement will have more meaning for me if I can find out where the danger areas are. Are these six more likely to have been successful because they took only truly motivated people?

And I don't know quite how I feel about that. Because—I mean, I do have a sense of how I feel. I would like your reaction. My feeling is, if you have someone who is not motivated, they should be kicked out. Absolutely out. If they're not motivated, the Government doesn't owe them the opportunity to be there unmotivated. Now, the response to that can be, "But maybe there's something we can do to motivate."

One way to motivate is to take away the caretaking aspect of government, it's simply to say, "The money is not going to be there anymore." My office had someone come in recently who is being kicked off of general welfare because of a State law. He came to our office to say that he wanted his benefits restored. My staff person is always taught to give the benefit of the doubt to that individual. And the person basically said, "Well, I have some physical problems."

He did. But the bottom line is, it didn't prevent him from working. It made life more miserable for him. The end result was that we asked him—my staff said, "Why don't you get a job?" He says, "I don't want to work." Now, in the past, general welfare would have been there. He wanted his payment instead of the work.

That may be an unusual case, but now he's going to be faced with the fact that he may have to do something he doesn't want to do. I call that some motivation. But we're going to be asking the two groups that are coming before us. I happen to believe that

while we have to be concerned about creaming, I do believe there are going to be some people who fall through the cracks.

And I would rather have that happen and have the program work than to have people who are unmotivated, frankly, polluting and hurting the program for the others in the program.

Mr. BARNICLE. Let me comment on that. I think that it's a delicate balancing act that has to take place. I think that the Congress decided in 1992 that under the JTPA Program, there was too little targeting and too much creaming.

Mr. SHAYS. Too much creaming?

Mr. BARNICLE. There was too much creaming. The analysis indicated, as GAO had suggested, that when you're dealing with a program that probably is serving 1 out of 20 people in line in terms of the percentage of the eligible population in a typical community where you're able to provide services, that there is a certain tendency to want to be successful. We all do. We all want our programs to look good.

And there was a tendency to take people who were most job ready, put them through relatively short-term services, and try to produce numbers that looked pretty good. In 1992, the Congress said, "That's not"——

Mr. SHAYS. I'm going to encourage you to shorten up because I want to get to my colleagues here.

Mr. BARNICLE. OK. In 1992, Congress said, "You've got to target more." And we were very concerned when we targeted would we end up losing the placement rates. What has happened, in fact, looking at the data is, we're serving many more multiply disadvantaged people, targeting the programs quite well, and we have entered employment rates that have remained pretty constant in the mid-sixties.

Mr. SHAYS. Not lost on me is a report done a few years ago—done by GAO, I think—that basically said that most job training programs didn't work. And I think there was a uniform acceptance of the fact that most did not work.

Mr. BARNICLE. I believe that's the long-term JTPA study that GAO analyzed. The study was done by the ABT Associates. It was an extraordinary piece of work, pretty unique in terms of random assignment.

And it concluded that for male and female adults, the return on investment was quite substantial, about 10 to 15 percent annual improvement in their earnings compared to similar individuals who weren't in the program. The results for young people raised a lot of questions.

Mr. SHAYS. So you're saying for the adults, it seemed to work, and for the young people, it didn't?

Mr. BARNICLE. Yes.

Mr. SHAYS. OK. Mr. Towns you've got the floor.

Mr. TOWNS. Thank you very much, Mr. Chairman. Let me just make certain I understand something, too. The $20 billion that we were talking about earlier, that's across the 15 agencies; is that correct?

Mr. NILSEN. Yes.

Ms. JOYNER. Yes.

Mr. TOWNS. Ms. Joyner, GAO has identified some 163 employment training programs administered by these 15 agencies. Is it your opinion that the majority of these programs do not include the key features that you have identified?

Ms. JOYNER. We have really not done that analysis, to go back to look at those programs to see the presence or absence of these features. I think it's an excellent question, but we really couldn't answer that question with respect to all of those.

Mr. TOWNS. And let me rephrase. And may I add also, Mr. Chairman, I'm not involved in any trick questions, either. I want to just get to the heart of this problem, if we can. Can you speculate on the percentage of programs that contain these features?

Ms. JOYNER. No. We really have no basis for doing that. We haven't looked as closely at those different programs. And what we looked at here were individual projects.

So it wasn't, for example, the entire CET network of sites. We looked at a particular site and went in to look in some detail at what they did, how they worked with clients, and what their statistics were. And that's quite different from being able to say something about the 163, which is funding streams and programs at a much larger level.

So I think if you were going to look at those programs, you would have to do the same thing, take a particular one of those and then narrow down or zoom in, if you will, to look at the level where the client meets the program activity and see whether the interaction of the people in that project and at that site carries out or exemplifies these elements in their training strategy.

Mr. TOWNS. I just thought maybe you might—based on your findings, you might be able to share some other information with us or put some light on it.

Let me go to you, then, Mr. Barnicle. Can you comment on the percentage of programs administered by your agency that fit the success profile?

Mr. BARNICLE. In anticipation of this question, I had the staff ask our regional administrators and regions to kind of do a quick calculation of what percentage of our programs, JTPA programs, had these characteristics. And so it's very, very impressionistic. But I think the consensus is that to some degree, the majority of our programs incorporate those four structural elements.

The highly successful programs incorporate them with great quality, but they're probably present almost everywhere. I think one of the issues that we have to deal with is that those four structural elements are quite broadly stated and we know that most good programs, just from a commonsense standpoint, have something that deals with each of those elements.

What really distinguishes the outstanding ones is also what kind of management, what kind of leadership, are you an outcomes-driven organization; and then with those structural elements, as well, you can then see in the outcomes some very high performance. So I would say that these structural elements are critical but probably not sufficient to achieve outstanding performance.

Mr. TOWNS. I'm just sort of sitting here thinking, why can't we implement these features across the board? I mean, this seems so

basic. Why can't we implement it? What are the problems that are the reason why we can't do this, get all these agencies to do this?

Mr. BARNICLE. I don't think that there are problems with doing this. In fact, the legislation that we're currently operating under requires us to do many of these things. They just don't get as specific.

For instance, the idea of having a written contract between an individual who comes into the program and the program itself in terms of what the mutual expectations are going to be, is used by a lot of providers in a highly decentralized system. You have to remember, this is a highly decentralized system and one that's going to be more so in the future—the decisions are made by local program operators and by the local management at the local level. And many of the best are already doing this, are incorporating this kind of a contract.

But including each of those components is an individual decision. One of the great things about having a study like this from GAO is that everyone in our system is now going to focus on what GAO has said, because GAO is saying these are exemplary programs. So it's extremely important and I think will help us a lot in getting some of the specific techniques that are in the best of the programs duplicated and replicated.

Mr. TOWNS. I really don't want to appear difficult this morning, because I'm so excited about this hearing. But I'm hearing some things that are just not quite clear to me. Maybe I'm still half asleep. But the fact that you're talking about decentralizing and at the same time, you're talking about a national kind of approach, I mean, how do you do that? I mean, am I hearing you correctly?

Mr. BARNICLE. No. What I'm saying is, for 20 years, this has been a highly decentralized program.

Mr. TOWNS. I'm sorry?

Mr. BARNICLE. For 20 years, the job training program, the basic job training program, beginning with CETA, has been a very highly decentralized program with each city, each county running its own program with Federal dollars under Federal guidelines. The Federal guidelines have increasingly become less specific over the years, but they're still there. In performance management, less direct, but still there.

We try to influence local performance toward best practices as a part of what we regularly do, but the decisionmaking, in terms of the implementation, is by law in the hands of people at the local level to whom the dollars are actually allocated in each community, 625 communities around America.

Mr. TOWNS. You do provide technical assistance, I understand?

Mr. BARNICLE. We provide technical assistance. The States provide technical assistance. We invest in development of best practices technical assistance guides and in that way, normally encouraging peer-to-peer, try to change behavior in the direction of higher levels of performance.

Mr. TOWNS. I just think that this is so important that I'm wondering is if you say that you must do certain things, what would be the reaction to the local community groups, the local agency; I mean, in other words, the people that actually administer the program, what would be their response?

Mr. BARNICLE. Well, I think that over the years, the consensus has been the more specific the Federal prescriptions are, the more likely our prescriptions are going to end up reducing flexibility to do what's relevant and necessary at the local level. So I think that any attempt to provide a whole series of additional specific requirements on the program are going to be looked at as unnecessary interference with the local ability to make good, specific judgments based on the community's needs. And I share that view.

I think we have to be very careful not to overprescribe and in the process end up with rigidities that prevent local decisionmakers from deciding what makes sense with their business community and their community folks in that local area. I think we can get, and I think we have been able to get, more program improvement by simply holding out better models. Having a GAO study like this will be very helpful in that regard.

People want to do it right. I don't think we have a system out there around the country that's trying not to do it better. And as a result, I think we have seen people pick up, over and over again, the best practices as they become known. I think that's true with this, as well.

Mr. TOWNS. I'm hearing something else this morning, and it keeps popping out, this whole thing about credibility in terms of the agency having credibility, which means that if that agency has credibility, as I'm hearing here, that if a recommendation is made coming from this particular agency, then people will take that very seriously, and that person would be considered seriously. But I don't know how we get to this whole credibility.

I don't know what we must do along the way to be able to achieve that. And I'm not hearing that part. But I did hear GAO say very clearly that those agencies that had great placement to the high percentage, that they had credibility, which means that if you go to X, Y, Z training, then people are anxious and eager to receive the person that has gone through that training.

Now, how do we get to that if we have agencies sort of doing basically whatever they want to do? And I also am aware of the fact that if you say too much, they might say it's an unfunded mandate. I understand that, too. So how do we—I'm not hearing how we get there.

Mr. BARNICLE. Well, I think, frankly, that one way is with the involvement of the private sector. I mean, ultimately, these programs are only going to be successful if, at the end of the day, someone in the private sector is willing to hire these individuals and keep them and pay them.

And with the private sector increasingly involved in these programs in terms of the management of the programs, overseeing the programs, design of curricula, and deciding what occupations are in demand locally, et cetera—and I think you'll hear from a panel of businesspeople later—I think with that involvement. We increase the likelihood that the programs are going to be well managed and more relevant and particularly if we're managing these programs on the basis of outcomes rather than focusing on particular processes. I think that that's the best way to move these programs toward higher and higher levels of success and a better investment for the American taxpayer.

Mr. TOWNS. I know my time is up, and I'm going to yield back in just a moment. But Mr. Chairman, maybe we might suggest to have a national summit, bring in corporate America, youth, bring everybody in to the table, and to see in terms of what might be done. Because when I look in the New York Times on Sunday, I see a whole lot of jobs that are available for people. And then I also look and I see this high unemployment rate.

So something is wrong here. So maybe bringing everybody to the table and to sort of work out some kind of arrangement where we can do better than what we're doing now. I think that the time is needed. And let me just say this. We're not saving money. I want to let you know that.

Because what will happen is that the Bureau of Prisons budget will go up, and that's the situation that's going on throughout this country. So we need to wake up. And that's the point, Mr. Chairman. So I think a national summit to deal with this problem is now in order. I yield back.

Mr. SHAYS. I really appreciate the gentleman's question. Before giving Mr. Martini the floor, I want to acknowledge that we were joined for a time by Mark Sanford, who I didn't recognize. I think this has been very interesting testimony and appreciate your question about the fact that if you were to add another component, it would be strong management on the part of those who run these programs.

I think it's a very valid point to say that probably a number of programs that are not successful include four or some of these, but just not to the degree that they need to. And I think that point is well taken. It's not lost on me that we spend $20 billion for job-related training plus a fortune in prisons and that most of us on this side of the table would feel that it could be spent much better. And I would just respond to your point that we will have to get into this in a very real way.

I also want to say before yielding to Mr. Martini, there is a half an hour tribute for the individuals who died on the plane crash in Yugoslavia. I had two constituents there, and I'm going to have to quickly run out. I hope that you guys ask enough questions so I don't miss our next panel. So feel free to filibuster.

But with that, I'm going to give Mr. Martini not only the floor but I'm going to give him this, as well.

Mr. MARTINI [presiding]. Thank you, Mr. Chairman. And first, let me say I appreciate your holding this important hearing today on job training. And I regret that I did not hear all of the testimony, but I did want to share some of my thoughts with respect to this important issue.

And first of all, what comes to my mind first and foremost is as a commissioner or a member of a board of commissioners in a county government before I came here to Washington, one of the most difficult and frustrating memories I have is this very area. We were from a somewhat urban community, and job training was very important.

And yet I remember as a newly elected member how difficult it was for me to even understand what was really available out there for people in need of job training. And even if I would take steps to begin to understand which programs served who and which pro-

grams people were eligible for, et cetera, it was a maze that I couldn't get through, and I don't consider myself lacking in knowledge.

Yet the frustration that existed there for me, I can imagine what it would be like for someone who is unskilled and less literate in an effort to help themselves to find their way through this maze that exists out there right now.

And when I read that there's over 163 separate Federal employment training programs and I can speak from the experience of our county, many of which seem to overlap each other, and even when I would go to the administrators of those programs, I couldn't get a clear answer as to what their focus was, why this program was better than the next program. How in the world could I direct a potential client or student into something to help them?

And I think if you look at that, that's the basic problem with some of your points here. Ensuring client commitment, I can see how they would easily be discouraged and frustrated, not even knowing if they're in the right program, No. 1, and then removing barriers for the access is what we have to do.

And that's why I am a strong supporter of the Careers Act concept. Whether it's perfect, 100 percent or not, I do believe that we should try to get a one-stop at least access into the programs and then from there ferret it out. And I also feel that there is a need to eliminate a lot of the duplication and to expect that our States, for instance, have more flexibility and are able to implement more diverse needs for that particular State.

And those I think are very important before you even get into a lot of the other things. Unless you can help people who are not in many instances literate, have no skills, to assist them in getting into the system and then having the system properly funnel them out to what would best work for them, you can't even begin to discuss all these other things, in my opinion. And I'm talking from an urban area concept.

So those are a couple of the frustrations that I felt firsthand just as a member of a board trying to learn what was out there. And I can confess to you right now, unfortunately, I still don't know completely all of the opportunities that are out there. And so when a constituent comes to me, which happens on occasion, I do my best. But I'm not even confident myself that I know of all of the options that might be out there.

So I think one, a centralized take-in type of a mechanism is absolutely necessary, one-stop shopping where people know this is where you go if you need help. And then from there, they will be instructed on what is available.

I also believe that streamlining the process and consolidating a lot of the process would go a long way to really tailoring the needs of the different communities. Now, this came up most recently, for instance, this year in the whole summer Youth Funding Program.

Now, in an area like mine, it could work. There are some problems with the program, but overall I think on balance, it's better to have the program until we have a better substitute.

But the important thing is giving States and even some of the regional communities within a State some of the flexibility to decide if that program really does work there in lieu of another pro-

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gram or a more consolidated program. And so I think that's an important concept, as well.

Let me also just for a moment share with you something that has worked in New Jersey, my State, and that is what has been referred to and has developed as the Work Force Development Program in New Jersey. And it really is a classic example of the success of a State-run program. And the intent behind the program was to create a genuine partnership between business, labor, and government to invest in the first-rate training and education for frontline workers.

In effect, the program is designed to train and prepare individuals for jobs that they do and will in the future be doing in the next century, not just for what today's marketplace might offer but has some vision for what the job market will look like in a few years. And I think it's an important feature of any job training initiative, because it would be useless and wasteful to train individuals today for jobs that because of the changing marketplace will disappear in only a few years.

But most importantly, let me just share with you some of the success of this program. And it is encouraging, because it began in only 1993. Approximately 30,000 individuals have received training and assistance under this program, and more than 3,000 individuals a year also received vouchers of up to $4,000 a year for approved training programs.

Now, the Work Force Development Program has succeeded in New Jersey. Really, most people who have looked at it and tried to evaluate it because it is, in fact, a partnership created between government and industry, and that the State government, of course, is involved.

But most importantly, our Garden State businesses and companies have invested over $50 million of their own resources in developing the skills of their workers; and likewise, the State has contributed about $30 million in customized training grants for vouchers. So it's somewhat of a pilot program, but so far in a very short time, many feel that we have been getting more out of that program than some of the traditional federally directed programs that have been out there for a longer period of time.

I guess just in closing my remarks, I compliment you for your efforts, but I happen to think that unless and until we have a way of letting the populace out there that needs to know there's help somewhere to get them into the system and not expect them to come—for instance, they used to come to the county building.

And then some official in the county building would say, Oh, you're in the wrong place. You have to go down to the PIC Program, the Private Industry Council Program. And then PIC would say, Well, our focus is on this. You have to—I would get discouraged.

So I think that's probably the important thing you could do is somehow figuring out a way to let the populace know there's this one facility and from there in that county or in that region they will help be placed once their needs are assessed and then take it from there in a more streamlined system from there. So I hope those comments help in your assessment of this important project.

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And I'll complete my remarks. I don't have any questions at this point because I didn't have the benefit of all your testimony, but I'll complete my remarks. And I guess I'll yield to Mr. Green.

[The prepared statement of Hon. William J. Martini follows:]

Statement by Congressman Bill Martini (R-NJ-8)
Human Resources and Intergovernmental Relations
Subcommittee
Job Training Hearing
April 18, 1996

Thank you, Mr. Chairman, I appreciate you holding this important hearing today on job training.

As you know, the House passed the CAREERS (Consolidated and Reformed Education, Employment and Rehabilitation) Act earlier this year. The CAREERS Act would consolidate and simplify federal job and vocational training programs.

H.R. 1617 creates a network of one stop training centers across the country and streamlines the service delivery process by making core services available to everyone on a universal basis. This bill allows for flexible and efficient solutions that will improve the overall quality of job training services for all Americans.

As Mr. Peter Calderone, Commissioner of the New Jersey Department of Labor, testified earlier this year before the Opportunities Committee, he said restructuring and streamlining are probably the two most critical features for correcting past mistakes of federal job training programs.

In order to improve the current system, we must develop programs that place the responsibility of job training in the hands of the states while the programs are funded at the federal level through block grants which provide for maximum flexibility.

This process gives states the ability and the freedom to make changes in programs that will provide effective, adaptable, timely and relevant services to the participants of the program.

Mr. Chairman, the key feature for the success of job training programs is adaptability. The economic situation in New Jersey may not be equivalent to the economic situation in New Mexico. Thus, the flexibility of block grants will allow states to decide how the funding can best support the needs of its people.

Secondly, Mr. Chairman, by streamlining the process as called for in the CAREERS Act, we can establish a network of one-stop career centers that would include assistance in a wide range of needs and provide access to a litany of information services on other programs in every state across the nation. The goal is to make one stop career centers more than geographic locations. We need to make them a central source of information and activity.

Mr. Chairman, the Workforce Development Program in New Jersey is a classic example of the success of state run programs. The intent of the program was to create a "genuine partnership between business, labor and government to invest in the first-rate training and education for front-line workers."

The program is designed to train and prepare individuals for jobs that do, and will, exist in the next century. This is an important feature of any job training initiative because it would be useless and wasteful to train individuals for jobs that will disappear in a few years.

The success of this program is very encouraging, Mr Chairman. Since it began in 1993, approximately 30,000 individuals have received training and assistance under the program. Furthermore, more than 3,000 individuals a year also receive vouchers of up to $4,000 a year for approved training programs.

The Workforce Development program has succeeded in New Jersey because a true partnership has been created between government and industry. Garden State companies have invested over $50 million of their own resources in developing the skills of their workers, likewise the state contributed about $30 million in customized training grants or vouchers.

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With evidence such as this in my home state, Mr. Chairman, I firmly believe it is necessary to restructure and streamline the our efforts of job training.

Once again, I believe that enactment of the CAREERS Act in conjunction with the continued success of the state Workforce Development Program will allow cities like Passaic and Paterson in my Congressional district to fund the programs that best work in their communities and create centralized sources of information that are accessible to everyone.

Thank you Mr. Chairman. I now yield back my time.

Mr. GREEN. Thank you, Mr. Chairman. And I think what my colleague from New Jersey talked about—I do serve on the authorizing committee and on the conference committee on the careers bill and supported the careers bill after it passed, because a lot of experience that I had before I came to Congress working in the State of Texas and in Houston—you can tell from my accent where I'm from.

And we have that forced cooperation, although it doesn't always work as well, because we still have the competition between our local work force development board and our community colleges. But if I can just get them all in the same room and tie them together, because ultimately, they want to serve the same purpose. It's just sometimes, their personalities get confusing.

You know, the frustration I've had is that the 163 programs—and what I found at least in Texas oftentimes is that the Federal funding may come in different ways. But oftentimes, that funding is merged on the local level, that if you have a good, aggressive local manager, they may say, Well, I can get a little bit of money here and a little bit there and maybe some from the State and from the community colleges.

And I do agree with what we're trying to do in the Federal bill and what the President wants to do, but I also have learned that good old American ingenuity has taken all these programs and these funding streams and merged them locally. What we want to do is make them where they don't have to do that and come out of Washington.

What my colleague from New Jersey talked about and the public knowledge, I want to mention the public knowledge and the public perception. First, the public knowledge of the location. In Texas, if someone is out of work, they went to our Texas Employment Commission. They're a part of this effort, but they're not the sole one person or one agency anymore.

But also, the public perception of job training programs in themselves. And I see over the last 3 or 4 years the little change in that. Because the complaints I have received from our office typically is what you would hear from a talk show saying, Oh, they're just paying people to get training, and they're not receiving anything at the end.

And that's all of our goals is to make sure that we alleviate that perception and alleviate those programs that are creating that perception. And I think we're a long way in doing that, this GAO study particularly.

The other complaint I've heard is that so often—and Mr. Barnicle, you mentioned it—so often, we would actually spell out everything they would do, and they were so busy complying with the Federal rules that they forgot that their ultimate purpose was to train someone for a job that they could keep.

And when the GAO came up with these four key features—and there are other ones—but these four key features, and there are certain ways and different great programs around the country that you can do this, but they're not all-inclusive. There's always local initiative. You can develop other ways to achieve these four key features, whether it's a signed contract, whether it's—no telling

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what you could do on the first one, if they had the commitment to the training to get that job.

And I would hope, as I said in my opening statement, that we would see the careers bill pass this year. It has been stalled for a number of months on the staff level. And to the point—Mr. Martini, I was surprised.

I got a letter, the first letter I think we have gotten in our office from Majority Leader Dole asking me as a conferee to move along. And the problem is, as a Democrat, it was a fight typically between the majority party and sometimes between the Senate and the House on a bipartisan nature. But I would hope we would see that happen to merge those programs, at least to the point of what we can all agree on bipartisan, the administration and the Congress.

One of the key success factors in removing client barriers is the lack of child care. And I know that, and we have seen a lot of innovative programs. So often, you will that program where the cost of the child care—and we dealt with it not only in the careers bill to an extent, but also in our welfare reform debate, that if a person has to pay child care, oftentimes that is the barrier because the cost of the child care.

However, it seems that to require greater access—and it's scarce supportive services, child care that costs the individual a great deal of money, and it also costs the local agency that's pursuing it. And Mr. Secretary, if you could and also Ms. Joyner talk about some of the examples in the local area, how they fund child care, for example, to make sure that the mother who wants that opportunity to work cannot just leave their child at home or without someone to take care of it.

Ms. JOYNER. In the sites, the projects that we visited, only one of them actually provided child care directly, and that was Focus: HOPE in Detroit. The others took an approach of arranging for them to get a service funded paid for I think primarily by JOBS, so that is, again, a part of the link between the FDC welfare reform issue and the job training issue of how to put these resources together.

So their role primarily was, if they were eligible for it, to make sure they went to the right place to get the funding to pay for it. And I just wanted to expand and to comment a bit on your previous statement, too, that's related to the talk here and all of the others is that the people in these projects are performing an extremely useful role for the clients in helping them know what's out there, where they can get these barriers addressed and sort of a case management approach with them, which was very common.

But there's a cost to that. There's energy spent on that. There's time spent on that. And it's an inefficient way often to meet the total set of needs. And that's something that GAO has testified on in the past and issued reports not just on counting the number of programs that are out there but of the problems created by that, the inefficiencies, the waste of resources, and the barrier that presents to the overall effectiveness in helping people get self-sufficient, that fragmentation.

It shouldn't take a case manager at a particular project who learns all the things that you folks talked about needing to know, Mr. Martini and Mr. Green, to "Where are all the places that I can

get money? Where are all the doors?" And you shouldn't have to have a professional with years and years of experience to be able to figure out the maze and to get people to the right place. That has been our concern.

Mr. BARNICLE. Let me comment on the question. I think that both sets of questions address the same issue, and that is, how do you possibly—in many of our cases, our clients are high school dropouts, welfare mothers with all kinds of problems that they're trying to deal with, ex-addicts, ex-offenders who have their own problems that they have got to deal with. How are they supposed to navigate this maze, if it's hard enough for any of us to figure it out?

I think there is a consensus, on a bipartisan basis, in the Careers Act and the President's GI bill, to focus on this one-stop concept. In addition to focusing on the one-stop concept and hoping that the legislation passes so it becomes universal because it is central to solving people's problems who are dealing with all this, we have already—Congress has already provided us with over $100 million a year in each of the last couple of years at least to invest in the development of these one-stop systems around the country.

I think 16 States now have one-stop grants. When I was in Louisville the day before yesterday, it was to talk with a whole group of our one-stop grant recipients, State level. And they're moving ahead aggressively to try to provide that integrated local service.

When I was in Louisville, I visited the one-stop center—it's called the Job Link—and visited with the whole panoply, the whole range of institutions that can be accessed through that one place, whether it's the community college, the social service agencies, the public school system, adult education system, and on and on and on, including all the job training systems and the employment security system, et cetera.

You walk into an office, it doesn't look like the old unemployment office. It's an office that you feel, "I can possibly get some real quality service here." And in that particular case and in others like it, very high quality, a sense of confidence when you walk in there that somebody's going to guide you through this maze.

And we have had street-level integration in our system for a long time, but what Ms. Joyner was just saying, we need to consolidate the national level, too, because why should people have to use their energy, and why should our people who run these systems have to use energy and dollars to do what would be a heck of a lot easier if the systems were consolidated more and then integrated into these one-stop delivery systems?

In terms of the specific of day care, we can fund day care in the Job Training Partnership Act up to a certain limit in terms of our dollars if that's necessary, but our people are so anxious to provide training for individuals and do job-related training that what we do—and I see it everywhere.

I was in Charlotte the other day and saw the same thing. They have a relationship in the Job Training Partnership Office with the social services agency down the street. And when people come in who need those kinds of services, it's part of that individual's employability development plan in trying to identify as they do, "Where are these barriers to employment?"

Part of it is to come up with a game plan that's going to overcome the barriers and hopefully move that person on to success. And one of them in many, many cases is day care. Forty-two percent of the individuals who are served in our disadvantaged adult program are on welfare. And if we don't have a way of providing these folks with day care, we can't be successful.

We're placing in our system nationwide—about 57 percent of all of the welfare folks who we serve are placed in jobs, and they're in those jobs 30 days later and at close to $7 an hour and in many places, of course, a lot higher. So we are making some headway, but a lot of it has to do with the tenacity of the people in the system.

And we should make it easier for them and eliminate some of the barriers. And I think passing the Careers Act or the GI bill or something like that with a strong emphasis on one-stop is an important way to begin.

Mr. GREEN. The one-stop center you were at in Louisville—and I know we have one in Houston. It was inaugurated about a year ago. And again, the forcing sometimes of these local agencies to work together—we picked a shopping mall that already had a community college location, and we moved in the local work force development and lots of different agencies, and it's real successful.

But oftentimes, to make them correlate with each other and to make them work—and you're right. It's not the typical TEC or employment office. It's more of a—and you can go to one desk and receive one service, and you don't have to go across town to get another one, and particularly in Texas where you have to go long distances to get across town, even in our urban areas.

Let me ask one more question, since the chairman said we could filibuster. And I talk slow enough, I can talk all day. [Laughter.]

One of the concerns I have is the pervasive joblessness in the inner city and underlies many of our urban social problems such as crime and poverty and teenage pregnancy and welfare dependency. And these are all barriers to training and job retention.

And how should these problems be addressed pursuant to the GAO's findings, particularly the four that we have outlined? And are there any other things that we can deal with, particularly in the inner city because of pervasive joblessness?

Ms. JOYNER. Well, as I pointed out before, several of these projects are working in innercity settings. And what they find is—what we found was that the projects had these four features, but the particular ways that they implemented them differed from one place to another. So they were in touch with the local employers there. That was sort of our fourth point.

And I think that our sense would be that there's no reason why these features and these approaches—the strategy—isn't as applicable in the inner city as in a more rural area, that the heart of it is finding out what kinds of jobs are available.

And they wouldn't be the same kinds of jobs in one place as in another, nor would the particular barriers or impediments that people bring in be exactly the same, but that the heart of the approach that was common to these locations was, in fact, tailoring it to the situation that's right there.

Would you like to expand on that a little bit from some of your observations?

Mr. NILSEN. In the six projects that were included in our study, we saw one of the things was tailoring to the population that it was serving. Some projects served sort of a similar population.

STRIVE, which you'll hear from later, in east Harlem in New York, had a population with many similar characteristics. Other projects, for example, one in Oregon, had a very diverse population, different characteristics, including welfare clients, fewer numbers of ex-offenders in some of the other programs.

But the key is either tailoring to the individual or tailoring to the population. And as Ms. Joyner was saying, this is what made these, how they implemented these four traits differed, and it's what made them successful. Part of it is not just having kind of the standard set and implementing it the same way everywhere no matter who you're dealing with.

One project, this one in Portland, TPIC, had different centers in different neighborhoods, and the neighborhoods had different characteristics and served different populations with different sets of issues. Others that had a central location tailored individually to people who came through the door.

Mr. BARNICLE. Just to comment a second on it, I think one of the really unfortunate developments in recent years has been the increased concentration of poverty in the United States and particular poverty and unemployment among young adults, 17, 18, to 24, 25 years old.

And when you get into the real serious poverty areas in the United States, with people living in poverty representing 30 percent or more of the population, the unemployment rate there is unbelievable for that age group.

Fewer than 50 percent of the 16 to 24-year-olds who are out of school, either dropouts or graduated and not working, in communities like that have no job. And if they're African-Americans and they're dropouts, then their employment rate is less than 30 percent. Their unemployment rate is approximately 70 percent.

When we start talking about some of the costs associated with that, the incarceration costs, the welfare and dependency costs, the lack of production costs, the estimate for each dropout in the United States is that the cost is $200,000 in lost productivity and $70,000 in lost taxes over that person's lifetime.

So, what the President proposed in the 1997 budget is a major initiative to target on areas like this, in a limited number of areas, a substantial amount of money in each area, lots of matching resources and matching commitment required, particularly from the business community in terms of job commitments, in order to accomplish an increase in the employment rate from just under 50 percent to 80 percent in these kinds of communities.

I hear what you're saying about the particular problems in communities like this, but we also have a huge cost associated with it if we don't act. And people say, Well, we don't know what works. If we knew what worked, we would do it.

We have a number of examples, including the CET model, with young people just like this where in—I think—the third and fourth year of the evaluation, these young people who had gone through

this program earned a total of $6,000 to $6,500 more than individuals who hadn't gone through the program. And we have other examples.

But we have reduced dramatically our country's investment in young people from these kinds of neighborhoods. We're doing it at a great cost to all of the rest of us in this society. I hope that Congress will give very serious attention, despite the budget problems that we all know we have, to this kind of an initiative. This is not a group that we can give up on.

Mr. GREEN. Mr. Chairman—and I'll be real brief—I notice on page 10 of your testimony where you found the evaluation for adult and job training clearly paid for themselves from a late 1980's study on the national GPA and that within the first 2½ years—whereas we had problems, like you said, with the younger concern——

Mr. BARNICLE. Right.

Mr. GREEN. And one last point, Mr. Chairman, is having served a lot of years as a State legislator—and I know one of our concerns is to provide all that initiative to the Governor's office or to the local State. And I found that oftentimes, that initiative sometimes stops at the State. And the closer we can get to the community, the more we don't have that intermediator.

So the Federal programs need to go through the State and work together, but also we need to look at what happens in the local community and not necessarily just making sure it happens in the State capitals.

Mr. BARNICLE. I agree, and I think you know the administration is fully supportive of the provision in the Careers Act that would require mandatory work force development boards at the local level, where the private sector will provide the direction for the program.

Mr. GREEN. Thank you, Mr. Chairman.

Mr. SHAYS [presiding]. I thank you very much. And I'm grateful that this panel is still here.

I would like to ask if either Mr. Nilsen or Mr. Uhalde have any comment they would like to make. Sometimes sitting here, there's a point that you would like to make that your boss may not have. So with the power invested in me——[Laughter.]

Now, I'm sure you won't be in disagreement with your boss, but is there a point you want to emphasize?

Mr. NILSEN. No, I have nothing to add at this time.

Mr. SHAYS. Are you sure?

Mr. UHALDE. I just had a point for Congressman Green, who mentioned the tension sometimes between community colleges and local job training programs. On the other hand, JTPA is really a brokering agency that buys services from a lot of places, including those from community colleges. Probably 30 percent or more of our dollars buy training at community colleges. So there are relationships.

Mr. SHAYS. Before dismissing this panel I want to reinforce what my colleague, Mr. Towns, has said. We need to make sure our job training programs are working. We are spending $20 billion plus what we spend on other activities like prisons. And there is a natu-

ral marriage between Republicans and Democrats on this issue. I mean, there just is a natural marriage.

The one concern that some of my Republican colleagues would focus on—some of my colleagues don't want to have people feel that the Government's out to give you a job, that the job is in the private sector. And that doesn't seem to be a major hurdle to overcome.

So I think that this subcommittee is going to be doing a lot more to try to move this process along, because we do know that a number of programs could do a better job. And we want to magnify those that are doing well and have them be copied by others. So I would like to thank all four of you, and I would—if either of our two primary witnesses have a parting comment, if it's short, we would welcome it.

Mr. BARNICLE. I would just say that the involvement of the committee is welcome and, frankly, it's necessary. I mean, it's so important that people realize that there is an attempt being made here to improve the program and to reinforce good behavior. No one could do it the way a congressional committee can, and I compliment you for taking the time and making the effort to do so.

Mr. SHAYS. Ms. Joyner.

Ms. JOYNER. I do appreciate the chance to talk about this. And I would just like to acknowledge, as well, that this study was very labor intensive because of the care that we wanted to take to visit the sites. And we also have present with us today some of the staff who played the crucial role of doing that.

Mr. SHAYS. I would be happy if you would like to recognize them.

Ms. JOYNER. I would. Denise Hunter, Betty Clark.

Mr. TOWNS. Could you raise your hand or stand?

Mr. SHAYS. Thank you. Thank you.

Ms. JOYNER. And Sarah Glavin and Ben Jordan, who are from our Washington office here. And Dianne Murphy.

Mr. SHAYS. They're scattered all around. [Laughter.]

Ms. JOYNER. That's right.

Mr. SHAYS. That's a very good sign. Let me just say to you that we really appreciate the study that GAO did. It must have been enjoyable to highlight the tremendous good job that these six are evidently doing. We thank you for what you've done. And we're going to be pursuing this and be obviously in close contact with both of you. Thank you.

Ms. JOYNER. Thank you.

Mr. SHAYS. Now I would like to call Rob Carmona, executive director from STRIVE, which is Support and Training Results in Valuable Employment, from New York, NY, 30 miles away from my home, and Genevieve Saites, a graduate of STRIVE; and Carol Watters, coordinator, Encore! Port Charlotte, FL; and Corrine Kalbfeld, a graduate of Encore!

I need to swear all four of you in, and we're just going to wait a little bit. Just what you wanted, a grand entrance. [Laughter.]

[Applause.]

Mr. SHAYS. Now, I'm very interested to know how the transcriber records a clap.

Court REPORTER. Applause.

Mr. SHAYS. Applause.

Well, we have welcomed all of you. In your absence, we welcomed you. And if you would at this time stand, because we do swear in all our witnesses, even Secretaries and even Members of Congress.

[Witnesses sworn.]

Mr. SHAYS. For the record, all four have responded in the affirmative. I have been looking forward to your testimony, and I'm happy that all of you are here. So we will start with Mr. Carmona.

STATEMENTS OF ROB CARMONA, EXECUTIVE DIRECTOR, STRIVE; GENEVIEVE SALTES, GRADUATE OF STRIVE; CAROL WATTERS, COORDINATOR, ENCORE!; AND CORRINE KALBFELD, GRADUATE OF ENCORE!

Mr. CARMONA. I was somewhat concerned about what I was going to put on paper, but then I realized that I could only be myself.

Mr. SHAYS. And you're among friends, sir.

Mr. CARMONA. OK. I begin by thanking this esteemed body for such a unique opportunity. I would hope that my testimony has relevance to the difficult task confronting you, as you're charged with developing and implementing policies geared to setting the course for this great Nation, especially as this relates to serving individuals less fortunate than ourselves.

There are times, and this is one of them, where one is awed by situations which confront them. In the days prior to this presentation, I asked myself if I was worthy of an opportunity of this nature and if my personal and professional experience was capable of influencing the thought processes of individuals with larger experiential base than mine.

I also asked myself if my statements would be more compelling if I utilized educated and professional language or if I spoke from the heart. I choose the latter.

Mr. SHAYS. Thank you.

Mr. CARMONA. As an individual that has chosen a life in public service in general and in human services in particular, I must tell this body that of late, I've been very angered. The profession I've committed my life to and the contributions made to a more equitable society have been minimized and belittled.

Working with individuals in distress is valued less than enhancing a dollar bottom line for profitmaking corporations in this country. The connection between healthy human beings and how they contribute to a bottom line of that nature is missing. Let me state uncategorically that my sentiments are not partisan. They are neither Democratic nor Republican but rather based on what is right or wrong for this country.

I do feel that the current tone of the country has blamed poor people for being poor. It has criminalized poverty, while simultaneously extolling the virtues of society's upper echelons. Research verifies and our media inform us that current societal indicators point to an increasing disparity between the upper and lower income segments of society.

The rhetoric and subsequent policy directions from our leaders at all levels of government propose solutions that could only exacerbate this disparity. The language on both sides of the tables appeals to our basest emotions and caters to what is expedient in the

short run for the few at the expense of the long-term benefit of the whole.

Welfare reform is increasingly a part of our national lexicon. I refuse to use the term, as current proposals that I've heard relate more to budget reform rather than welfare reform. To incorporate this term into my language forces me into a reactive posture and into a paradigm set by those that I feel just don't get it.

It has always and continues to be my belief that in order to develop policy aimed at helping a particular segment of society, that the input of those in that segment is not only critical but essential to developing strategy that makes sense and possess greater potential for success. Operative words in this context, in my opinion, are "shame" and "courage." Our leadership should feel shamed that it has been seeking the easy way out by targeting the most vulnerable, when it should be digging deep for the courage to do what is right rather than what sounds right in a 30-second sound bite.

The organization I represent, STRIVE, operates on the credo that "Nothing changes without pain." In fact, pain is the only thing that facilitates change. I propose that the pain consistent with current societal realities be articulated in an honest manner and that the pain necessary to adjust to these realities be shared equally.

As a public servant, my career has concentrated on employment, particularly employment for individuals society considers disadvantaged. Prior to my professional development, I did not live a charmed experience. I was addicted to heroin from the ages of 14 to 24, in and out of penal institutions. I carry those experiences in my heart, and they are part of who I am today.

Those experiences have assisted my subsequent development from undergrad to graduate school at Columbia University and continue to provide strength to this day. These experiences coupled with my professional development, I believe, give me an understanding of what is needed to bring individuals from distress to self-sufficiency.

If there are several features that stand apart from a variety of essential elements needed to gauge potential success, they would be: the sincerity of the service provider; long-term commitment to support which identifies and mitigates client barriers—it could be assistance with day care or substance abuse services, et cetera; insuring up-front client commitment to attitudinal change; emphasizing both hard and soft employability skills; and linking employer needs with client needs.

Current policy as it relates to supporting employment training and job placement, in my opinion, has been insufficiently thought through. For adults, emphasis for the most part has been on skill development; typing, computer skills, things of that nature, and agency commitment to clients post job placement ends in 90 days.

Though the aforementioned is important, scant attention is given to those intangible elements that more directly contribute to employment retention: punctuality, spirit of cooperation, teamwork, ability to take constructive criticism are among the few. In short, the attitudinal prerequisites for success in the workplace are not policy incorporated.

Additionally, there seems to be an assumption that the personal baggage these individuals possess will magically disappear in 90

days. In fact, 90 days is about the time that the glow of finally finding employment—and you realize that work is work—wears off.

Though we speak of work as something that contributes to self-confidence and self-esteem—and it does—little mention is made of the tediousness and boredom that is part and parcel of work and how it enables people to allow their baggage to drag them down again.

Another troubling aspect in the direction of current Government policy—again, in my opinion—is that there is an increasing emphasis on the displaced worker. Though this direction makes some sense in that there is an investment in individuals that presumably have internalized a work ethic, it does so at the expense of harder-to-serve populations.

For youth, current policies supporting employment services treat our young people like adults with an experiential base beyond their years. A young man or woman that receives services in a given year is expected to be an employed, tax-paying, and responsible citizen at the end of this process. Absent the aforementioned, that young man or woman or the training program attended by them are viewed as having failed.

It's as though our policymakers have forgotten their own adolescence. I relate this to my own development. In addition to my mother, I had a number of caring adults attempting to guide and provide me an avenue of positive development. It took at least 5 years, maybe more, before life experience enabled me to understand what they were trying to get me to do.

Adolescence by definition is a time fraught with uncertainty, insecurity, and ongoing change. The long-term support needed for this cohort is imperative. Additionally, Job Training Partnership Act funding seems to be now emphasizing school to work. This concerns me for two reasons.

One, service could result for individuals that would likely achieve success without that service. And two, the above de-emphasizes services to those individuals that have not been successful in crossing that bridge from school to work.

Finally, given that funding under JTPA through the Department of Labor at best when it was fully funded reached 5 to 10 percent of the people eligible for those kinds of services, any kinds of cuts as proposed in my opinion are unconscionable.

STRIVE, which currently consists of 11 sites in New York City, 4 in Pittsburgh, 2 in Chicago, and 1 in Boston, has placed its training emphasis on attitude and long-term support. In fact, STRIVE makes a lifetime replacement commitment to any individual that has successfully completed its intensive 3-week boot camp process. Not unlike alumni associations in major universities that develop reciprocally beneficial relationships with its graduates, STRIVE provides its customers with a forum for ongoing interaction.

Since most Government-supported programs—again, in my opinion—are paper-driven rather than service-driven, STRIVE has been hesitant in becoming a government contractor. In 1995, STRIVE did engage in a demo program with the New York State Department of Social Services whereby we were contracted to place roughly 80 home relief recipients in unsubsidized employment.

We successfully completed this contract and, in fact, exceeded the goal. In spite of our success, this demo was not renewed due to a change in State government administration and a seed change in philosophy. And just to comment on the gentleman that mentioned turning over a lot of this stuff to the localities, I don't have the confidence that he does that it would be administrated with any degree of integrity.

Currently, STRIVE is in partnership with the New York City Department of Employment, which is the largest service delivery area in this country. This partnership entails STRIVE providing technical assistance to five DOE-supported agencies interested in incorporating STRIVE's philosophies. It's an exciting partnership that could impact how the city of New York utilizes JTPA funding.

In closing, let me reiterate that policy and subsequent support from employment training and placement organizations meant to empower individuals must include the following elements: sincerity of the provider, long-term commitment to support, ensuring upfront client commitment, emphasizing both hard and soft employability skills, and linking employer needs with client needs.

Incorporating the above does not guarantee positive outcome, as there are no guarantees in life, but will go a long way to improving likelihood of success. If I offended some members of this body, I apologize, but it certainly was my intention to be provocative. I thank you for the opportunity.

[The prepared statement of Mr. Carmona follows:]

TESTIMONY/ROB CARMONA, DIRECTOR, STRIVE

Let me begin by thanking this esteemed body for such a unique opportunity. I would hope that my testimony has relevance to the difficult tasks confronting those of you charged with developing and implementing policies geared to setting the course for this great nation, as this relates to serving individuals less fortunate than ourselves.

There are times, and this is one of them, where one is awed by situations which confront us. In the days prior to this presentation, I asked myself if I was worthy of an opportunity of this nature and if my personal and professional experience was capable of influencing the thought processes of individuals with a larger experiential base. I also asked myself if my statements would be more compelling if I utilized educated and professional language or if I spoke from the heart. I choose the latter.

As an individual that has chosen a life in public service, I must tell this body that, of late, I am angered. The profession I have committed my life to and its contributions to a more equitable society have been minimized and belittled. Working with individuals in distress is valued less than enhancing a dollar bottom line for profit making corporations in this country. The connection between healthy human beings and how they contribute to a dollar bottom line is missing. Let me state, uncategorically, that my sentiments are not partisan. I do not speak from a democratic or republican orientation, but rather, on what is right or wrong for society in general. I do feel that the current tone of our country blames poor people for being poor. We've criminalized poverty, while simultaneously extolling the virtues of society's upper echelons. Research verifies and our media inform us that current societal indicators point to an increasing disparity between the upper and lower income segments of society. The rhetoric and subsequent policy directions from our leaders, at all levels of government, propose solutions that could only exacerbate this disparity. The language on both sides of the table appeals to our basest emotions and caters to what is expedient in the **short run for the few** at the expense of **long-term benefit for the whole.**

Welfare Reform is increasingly a part of our national lexicon. I refuse to use the term, as current proposals relate more to budget reform. To incorporate this term in my language forces a reactive posture to a paradigm set by those who **"just don't get it"**. It has always and continues to be my belief that in order to develop policy aimed at helping a particular segment of society, that the input of those in that segment is not only critical but essential to developing strategy that makes sense and possesses greater potential for success. Operative words in this context are **shame** and **courage**. Our leadership should feel shamed in that it has been seeking the easy way out by targeting the most vulnerable, when it should be digging deep for the courage to do what **is right** rather than what **sounds right** in a thirty second sound bite.

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The organization I represent, The East Harlem Employment Service/STRIVE operates on the credo that nothing changes without pain. In fact, pain is the only thing that facilitates change. I propose that the pain consistent with current societal realities be articulated in an honest manner and that the pain necessary to adjust to these realities be shared equally.

As a public servant, my career has concentrated on employment. Particularly, employment for individuals society considers disadvantaged (i.e. individuals in the welfare system, ex-offenders, etc.) I did not live a charmed existence prior to my professional development. From the ages of 14 thru 24, I was drug addicted and in and out of penal institutions. I carry those experiences in my heart and they are part of who I am. Those experiences have assisted my subsequent development, from undergraduate thru graduate school, and continue to provide strength to this day. Those experiences, coupled with my educational and professional development give me, I believe, an understanding of what is needed to bring individuals from distress to self-sufficiency. If there are several features that stand apart from a variety of essential elements needed to gauge potential success, they would be:

1. The sincerity of the service provider
2. Long term commitment to support which identifies and mitigates client barriers (i.e.daycare assistance, substance abuse and family violence services, etc.)
3. Insures upfront **client attitudinal commitment** to change
4. Emphasizes both "hard" and "soft" client employability skills
5. Links employer needs with client needs (quid pro quo relationship)

Current policy, as it relates to supporting employment training and job placement services is at best insufficiently thought through and at worst, cynical:

For adults

Emphasis, for the most part, has been on skill development (i.e. typing, computer literacy, etc.), and agency commitment to clientele, post-job placement, ends in 90 days. Though the aforementioned is important, scant attention is given to those intangible elements that more directly contribute to employment retention (i.e. punctuality, spirit of cooperation, eagerness and willingness to learn, teamwork, etc.). In short, the attitudinal prerequisites for success in the workplace are not policy incorporated. Additionally, there seems to be an assumption that the personal baggage that individuals possess magically disappears in a 90 day period. In fact, 90 days is about the time that the "glow" of finally finding employment disappears and the realization that work is,..... well, work, appears. Though we speak of work as something that contributes to self-confidence and self-esteem, **and it does**, little mention is made of the tediousness and boredom that is, part and parcel, of working. It is STRIVE's belief that our clients require a minimum of 2 years of post-placement support services, in order to mitigate future difficulties impacting job retention.

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These services range from day care acquisition assistance to evening educational services to drug treatment services, to name a few. These services should be provided as needed and should be incorporated in the costs of government support to agencies.

Another troubling aspect is the current direction of government policy. Specifically, there is an increasing emphasis on the displaced worker. Though this direction makes sense in that there is investment in individuals that presumably have an internalized work ethic, it does so at the expense of harder to serve populations.

For Youth

Currently, policies supporting employment services for youth treat our young people like adults with an experiential base beyond their years. A young man or woman that receives services in a given year is **expected** to be an employed, tax paying, and responsible citizen at the end of this process. Absent the aforementioned, that young man or woman or the training program attended by same are viewed as having failed. It's as though our policy makers have forgotten their own adolescence. I relate this to my own development. In addition to my mother, I had a number of caring adults attempting to guide and provide me an avenue of positive development. It took at least five years, before life experience enabled me to "get it". Adolescence, by definition, is a time fraught with uncertainty, insecurity, and on going change. The long-term support needed for this age group is imperative.

Additionally, Job Training Partnership Act funding (JTPA) for youth is now emphasizing **School To Work** support. This is of concern for two reasons:
1. Service could result for individuals that would likely achieve success without that service and
2. The above seems to de-emphasize service to those individuals that have not been successful in crossing the bridge from school to work.

Finally, since funding for programs supported by the Federal Department of Labor enables service provision to reach, at best, 5-10% of those eligible for assistance of this nature, reductions, as proposed, are unconscionable.

STRIVE

STRIVE, which currently consists of 11 sites in New York City, 4 sites in Pittsburgh, 2 sites in Chicago, and 1 site in Boston, has placed its training emphasis on attitude and long-term support. In fact, STRIVE makes a **life time replacement commitment** to any individual that has successfully completed its intensive three week, boot camp process. Not unlike alumni associations in major universities, that develop reciprocally beneficial relationships with it graduates, STRIVE provides its customers with a forum for ongoing interaction.

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Over STRIVE's twelve year history, the New York City network has placed roughly 11,321 individuals in unsubsidized employment and has retained 76% of these individuals on those jobs for at least a 2 year period. Since STRIVE's emphasis is on rapid, hard driving training (3 weeks), and long-term support, our per capita costs are low. STRIVE averages $1,500 per placement and $2,000 per retention, costs that are far below similar government supported entities. Combining the New York City numbers with those of our out of town affiliates, the organization has placed roughly 12,500 individuals on jobs.

Since most government supported services are paper rather than service driven, STRIVE has been hesitant in becoming a government contractor. In 1995, STRIVE did engage in a demonstration program supported by The New York State Department of Social Services. The purpose of this contract was to place 80 Home Relief recipients in unsubsidized employment at a cost of $2,000 per participant. We successfully completed this contract and, in fact, exceeded the goal by roughly 5 placements. In spite of our success, this demo was not renewed, due to a change in State Government administration, and a seachange in philosophy.

Currently, STRIVE is in partnership with the New York City Department of Employment (DOE), the largest Service Delivery Area (SDA) in the country. This partnership, supported by the Clark Foundation, entails STRIVE providing technical assistance to 5 DOE supported agencies interested in incorporating STRIVE 's attitudinal and long-term support philosophies in JTPA funded programs. This is an exciting partnership that could impact how the city of New York utilizes funding of this nature.

In closing, let me reiterate that policy and subsequent support for employment training and placement organizations meant to empower individuals **must** include the following elements:

1. The sincerity of the service provider
2. Long term commitment to support which identifies and mitigates client barriers (i.e daycare assistance, substance abuse and family violence services, etc.)
3. Insures upfront **client attitudinal commitment** to change
4. Emphasizes both "hard" and "soft" client employability skills
5. Links employer needs with client needs (quid pro quo relationship)

Incorporating the above does not **guarantee** positive outcome, as there are no guarantees in life, but would go a long way to improving likelihood of success. If I offended some members of this body, I apologize, but it is my intention to be **provocative.** I thank you all for the opportunity.

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Mr. SHAYS. Let me assure you, sir, you have not offended us at all. You would disappoint us if you didn't speak from your heart. And we'll speak from our heart, too, and we'll have a good dialog.

You know what I'm going to do? How long is your testimony, Ms. Saltes?

Ms. SALTES. About as long as my boss'.

Mr. SHAYS. I think we're going to quickly go and vote. We're going to hustle. We're going to just go and come right back. All right? So we stand at recess, and we'll be back.

[Recess.]

Mr. SHAYS. I'll call this hearing to order. What I've decided to do is have the two administrators of the program speak and then have the two participants and graduates. So at this time, I would ask Carol Watters if you would give your testimony. I'm trying to keep you guessing, Ms. Saltes. [Laughter.]

Ms. WATTERS. Thank you, Mr. Chairman. It is, indeed, an honor for me to be here and to represent our program. As coordinator of the Encore! program at Charlotte Vo Tech Center in Port Charlotte, FL, I am very pleased to have this opportunity to spend some time with you and to tell you a little bit about what we think are the successful elements in these programs.

Most of the students we serve are on welfare but have the desire to enter an occupation that will provide a living wage to support themselves and their family. The mission of the Encore! Program is to prepare single parents, displaced homemakers, and single pregnant women for high-wage—high-wage—occupations through job preparatory vocational education to help them become economically self-sufficient.

The Encore! Program has been funded for 10 years by the Carl D. Perkins Act, and it is administered through the State Department of Education.

What I would really like to do is just tell you what I think makes our program work. In your packet, I have all the details and lists and feelings that we have stretched on paper. But what I just want to do is from the heart tell you why I think it works.

First of all, we look at the whole person as that person enters. And we do not look at job training. We do not look at the job. We do not look at any one thing. I would look at you, Mr. Shays, and say, What do you need? What kind of package can I put together for you to get you employed, to take care of your family, to be the head of the household for the same time?

Mr. SHAYS. First, I need to use the computer better. [Laughter.]

Ms. WATTERS. I do, too, so we're working on that together.

Mr. SHAYS. Two master's degrees, and I need to learn to use a computer better.

Ms. WATTERS. It's the age thing, I know. I'm in the same boat. [Laughter.]

We're all brushing up on this together. So we're starting by breaking down all those crazy barriers. And we have the same barriers others have, but into that, we have the problem of women who maybe have not been off the couch or out of the home for a long time. They have a clothing barrier, which we have addressed through a clothing closet, things that do not cost money but involve the family and the community.

The community donates the clothing to us, and this brings them into the job and helps them to buy in, also.

We give them an opportunity to consider their options. There are many options, and we want them to be in on the planning of what they can do. So to do that, we do an individualized career plan, there's a copy in the packet that I have put together. And in this time, we plan for the day that they go out and work exactly how they're going to go through the phases. And it's not me telling them this is what you need to do.

It's me showing them options and giving them sources that are available to them, and then they go through the plan to it. And we plan the work and then we work the plan. And they do also sign on the dotted line that they are committed to doing this.

One of the things I think really helps at this point is we work on being assertive, because most of these people are not. They have been beaten down by the system. And we work on self-esteem, of course, motivation, and a lot of assertiveness training to give them the courage—once we show them where to go, they still need to have the courage to make that phone call to go out there and do it.

Once they have done it one time and had one success at doing it, they feel like they can go on. It's very important that they do have some assertiveness training, so that what we teach them, they can take the ball and run with it.

The most important part of the assessment is it's up front and that you weigh all the options and think of all the things that need to be done and do all the ability assessing and interest assessing right up front so that you don't place that person in the wrong spot and have to go back and retrain or possibly waste good dollars on something that's not going to work in the end.

So we do a lot of front-end assessment, a lot of interest tests, a lot of computer interest tests, and a lot of math, reading, and language skill testing. And if they do not come up to the standard they need to to get into a program of training, we at that time do remediate them. And we keep stressing the point that they are not failing. No matter what they do, they are not failing. They are just adding to their little bag of successes that will come out to be one big bag in the end.

We try at this point to really get rid of all that baggage. Our students many times have a lot of abuse baggage with them, and that is a very tough one to get rid of. We have a lot of domestic violence now. I've just been on a domestic violence panel, and I discovered in my research that 85 percent of my students had at one time been abused either by a father, mother, friend, but most often a significant other. So we have to work on that.

The motivation is important, positive attitude is important, and then we get down to the real meat of the thing, and we start to have the actual support. We do have financial support for the child care. We do have some tuition moneys, child care, transportation, but I mostly try to work as a team with the agencies in town.

I will pull in JTPA, Project Independence, scholarship people, and we sit down at a table just like this and we pick out Suzy Q. and say what can we do for Suzy Q.? and we bargain. "If I pay the child care, will you pay the tuition? And if you pay the tuition, will

you pay the transportation?" And we have always been known for not duplication of funds because of this.

Our students know that I have a working relationship with everyone else they have financial support from, so if they come to me and say, I need money for the transportation this week, they know that I know that yes, they do need it, or I can find out real quickly with one phone call whether or not they have gotten $10 from JTPA for that service.

So I look at myself sort of as a warehouse of services, which is what you are thinking of doing, also. One contact person is really important. One person who follows that person through from the very beginning to the end is a very critical thing, because it's very—it's continuity. It's just like discipline in the home. If you continue with the same thing, and if they get to know you as a friend and trust you, you can build a wonderful relationship where you can really make things happen.

It's very important that that person is ready, as you have mentioned. For us, we screen them at a point and we find that if they're not ready, we put them in a workshop specifically designed—it's called a readiness workshop. And in that workshop, we do a lot of self-esteem, stress management, assertiveness training. We teach them how to do applications, resume writing, interviewing skills, how to get along with other people, employability skills.

Once we get them into the training, we want them to know to be on time, to be doing the things that they need to do to be successful. We're trying to just build on their successes. And then the retention is important also. When they get into the program, a support person I would be, and I would also be a person who's checking on what they are doing, if they are doing all right and as an intervention with the people who are working with them.

Employability skills is probably the most important thing. Even though many job skill programs don't have this, it is important because we want the student to be able to land the job and keep the job.

The people who support our program are important to us, too, the business community. Our advisory board is strong. They are the people who help us to know what skills to teach and then they go out and employ our students. Service groups in the community have bought into the program by my recruiting and going into the community and talking to them, taking my students with me into the community to talk to them.

Community members come in as mentors. They work in our closet. They offer scholarships. One group in town actually adopted us, and they have fundraisers for our program to help pick up the pieces where the grant falls short.

The administration, of course, and staff is very supportive. And one thing that the single-parent program has nationwide and is very strong in our State is the State-level support. And the State level gives us a lot of—they train the trainers. We know what we can do, but we have the flexibility to do it in the way that suits our community. Same as whenever a student comes in, we have a basic idea of what we want to do with that student, and we have the flexibility to customize the service to that person's need.

It's the same in the State level. We have a great data collection system on the State level, and technical advice. I feel that we have a very consistent program. If I were to send Corrine to Orlando now to go on to the next level for her education, if I looked for the single-parent coordinator at that school, that person would be doing exactly what I am doing and would just pick up where I left off. And I feel very secure in that.

We also do a wonderful self-evaluation at the end of the year for the State, and that really helps us to check ourselves to keep on track. Really, I'm just an instrument here of the students, and I would like to just kind of give you a few things that some of them have said to me to maybe bring them into this room with me. It might give you an idea of where they come from. I was——

Mr. SHAYS. I'm going to ask you to speak a little louder. I'm able to hear you, but I would like to hear you kind of like you can hear me now.

Ms. WATTERS. OK.

Mr. SHAYS. Let's pull the mic a little closer to you.

Ms. WATTERS. Got it. Some of the quotes that people have said to me throughout the program or at the end is, "No one ever cared for me before," which shows me that one-person contact is important. And "I never knew I could blah, blah, blah." And that shows us that letting them have time to get to know themselves before they actually start the training is really important.

Or "No one has truly loved me. I always thought that I was stupid. I can't go back to where I was. My children admire me for the first time." And over and over I hear, "I just wish I had heard about this program years ago," because don't forget, we are dealing with women and men who are maybe in their 35, 45, and 55 age range.

Change is really what the Encore! is all about, change in the attitude, change in reactions and behaviors, and change in the family pattern. All of our students talk of breaking the cycle, giving their children positive role models to look up to and to follow.

Many feel that it is more important to go to school and get a job so that their children can be proud of them and for no other reason. They are determined to make a new life and to get away from the welfare mentality.

Thank you again for giving me this opportunity to share with you these positive things. And in your packet, there are some statistics, forms, and outlines. And if you want to examine those, I'd welcome any questions. Thank you.

[The prepared statement of Ms. Watters follows:]

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Testimony of
Carol Watters, Coordinator
Encore! Program, Charlotte Vocational Technical Center

Thank you, Mr. Chairman. As coordinator of the ENCORE! program at Charlotte Vocational Technical Center in Port Charlotte, Florida, I am very pleased to have the opportunity today to testify before the Subcommittee on Human Resources and Intergovernmental Relations on the elements of a successful job training program for disadvantaged adults. Most of the students we serve are on welfare but have the desire to enter an occupation that will provide a living wage to support themselves and their family.

The mission of the ENCORE! program is to prepare single parents, displaced homemakers, and single pregnant women for high wage occupations through job preparatory vocational education to help them become economically self-sufficient. The ENCORE! program has been funded for ten years by the Carl D. Perkins Vocational and Applied Technology Education Act administered by the State Department of Education. The following factors contribute to the nearly 100% rate of completers and placements which result in participants doubling their previous annual income:

- Customized services to all participants
- Strong linkage with the business community (labor market responsive)
- Continuity of one contact person to help participants through their Individualized Career Plan
- Empowerment of participant to take responsibility for actions
- Strong support of the program at four levels:
  - The administrators and staff of Charlotte Vo Tech
  - The ENCORE! Advisory Board
  - Community service group and government agencies
  - Through the Equity Administration Office and the university programs. In-service training workshops, ongoing technical assistance, a standardized computer data collection program (example in folder) and evaluations help to keep our programs consistent, well informed, and at a high standard of excellence.

Picture, if you will, the typical student who comes to me for assistance. The person is usually unemployed, receives some public assistance of under $10,000 a year, and has few marketable skills. I have had students come to me with only the clothes on their backs, no home for themselves or their children, and literally penniless. Some are either in or coming out of situations where they have suffered abuse by their spouse or significant other. All of them have very low self esteem, which prohibits them from setting any personal or professional life goals. Every one appears desperate in their desire to leave public assistance and provide economic security for themselves and their family.

The baggage they bring with them is immense. In most cases, they are their own worst enemy. They have had very few successes in the work place and life in general. What jobs they have had have been at minimum wage, part time, and with no benefits or chance for advancement. In order for these students to successfully make the transition from public assistance and/or low paying jobs to an occupation which provides a living wage, there are many barriers which need to be removed. First they must learn more about themselves - their interests, abilities, and goals - thus the need for "up-front" assessment. Many have told me that for the first time they

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have discovered that they do have worth and have something to offer an employer. Quality, affordable and safe child care for their children is usually the number one road block as they think about job training. With basically no financial resources, the question of tuition, books, uniforms, tools, and transportation are obstacles which are overwhelming. Add to this, there may be mental and physical health concerns, no appropriate clothing for school or the workplace, eviction notices hanging over their heads, the threat that the water, electricity and/or phone will soon be turned off.

To best describe how my program has successfully moved a person with these characteristics to a long term, high wage job, I would like to walk you through a current case study. Maria was referred to me simultaneously by four diverse agencies: the local mental health facility, J.T.P.A., Project Independence (JOBS), and CARE, the local domestic violence shelter. She was dressed in cut-off jeans and a t shirt she had been wearing for over two weeks, and had spent four nights in the woods with her three children who are under the age of four. She was clinically depressed to the point that, when taken to the grocery store for food, she lacked the ability to make a simple decision of whether she wanted a paper or plastic container for her groceries, not to mention making decisions that would affect her and her children far into the future. She was obviously fearful for her life as her significant other, who had followed her to the school, was sitting in the parking lot with a gun in his hand waiting for her. He knew that job training would give her the economic means to leave the situation. Through the tears I learned that she had a high school diploma, no marketable job skills, no recent employment, no financial or emotional support from her former husband who is the father of her children, was receiving AFDC and Food Stamps, and found herself dependent on the man in the car for a roof over her head. She pleaded with me to find a way for her to leave this abusive relationship and provide a stable economic base for her and her children.

After listening to her story, I began the process of helping her reach her goal. Following are the steps we used:

- Completed an intake form with pertinent student and demographic information
- Reviewed how we will be creating her Individual Career Plan
- Scheduled an appointment to take the Test of Adult Basic Education (TABE) which measures the student's abilities in reading, math, and language.
- Scheduled a series of interest tests, including CHOICES, to assess interest and identify career clusters
- Recommended the ENCORE! Workshop, or personal vocational counseling
- Made application for specific services from educational and community agencies able to assist her while in school
- Discussed all available high wage programs (those with an entry level wage of $7.50 an hour or more) including nontraditional programs for women
- Made an appointment for us to meet with an Occupational Specialist to discuss her career path
- Scheduled an appointment to shadow in the CVTC programs of interest to the student

As with Maria, students at this time are receiving remediation (if needed) in the Learning Lab to raise their scores on the TABE test for entry into a specific vocational program. Each

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individual student is also following through on referrals made by the coordinator to various agencies and community support groups who can assist the student financially. The student and the coordinator are in constant contact with each other as together they progress through the Individualized Career Plan. Once a decision is made to follow a career path, the student's name is placed on the waiting list for that program and all arrangements are made for financial aid. The financial package is designed by the coordinator and usually includes services from one or two agencies such as JTPA or VocRehab, the ENCORE! Grant, a Pell Grant and/or community scholarships. This way the burden does not fall heavily on one agency (thus we are all able to service more clients), and the student learns to manage her/his budget and to take on the responsibility of meeting the requirements of each supporter. It is important to note that financial support from the ENCORE! Grant is limited to programs leading to high wage employment.

At this point, some students are ready to enter a vocational program and others are not. Most often this is dictated by the amount of baggage the student brings with her or him, such as depression, substance abuse, or extremely low self-esteem. It is very critical that this student is identified and recommended for the job readiness training provided in the ENCORE! Workshop. Subjects covered in this workshop are: self esteem, self motivation, groups dynamics, stress management, budgeting, dressing for success (which goes along with the clothing closet provided for ENCORE! students with items of clothing donated by members of the community), goal setting, career exploration and job search, application and resume writing, and interviewing skills. During the course of this workshop, the students really get to know themselves, and find that they actually - for the first time - like themselves. One of the best exercises is the BAG they are asked to bring to share at the beginning of the workshop. Our student, Corrine, will tell you more about the "therapy" involved as she speaks to you. Upon graduation from this six-week workshop, students are ready for a vocational program. They are confident of their abilities, secure in their plans, and supported not only by the coordinator, but by their peers with whom they have bonded during this workshop. A prime example of this is the student who sent monthly checks to the student who sat next to her in the workshop and was struggling financially as she was completing her schooling. The first student had graduated, landed a high wage job, and was able to help her friend from ENCORE!

After the student is enrolled in a vocational education program, the ENCORE! coordinator continues to support her/him by providing support group meetings, intervention and crisis management activities, ongoing vocational counseling, and special workshops, always encouraging the student to become independent. Continuous support results in a high rate of retention.

Employability skill training is as important as the vocational skill itself. Placement upon completion of a vocational program is coordinated through the efforts of the Vo-Tech family and staff, the Jobs and Benefits Office out stationed on the CVTC campus, and members of the Vo-Tech's Advisory Boards.

ENCORE! and the vocational programs are inseparably linked to the community through Advisory Boards where men and women from local businesses help to create the course outlines and curriculums. These same people are waiting in line to employ our graduates because they know they are well prepared for their work place.

Many service oriented community groups are good "friends" to the ENCORE! program. One group - the Charlotte County Medical Society Alliance - has "adopted" ENCORE! as its special project and has donated scholarship money with no strings attached to be used for ENCORE! participants with emergencies. The local Board of Women Realtors has established a "Dream

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House" for ENCORE! students. Similar to Habitat for Humanity but with existing homes needing repair, an ENCORE! graduate can apply for a home with $500 down and 500 sweat equity hours after holding a job for 6 months. Habitat for Humanity has also been kind to ENCORE! students and graduates knowing their desire and drive to turn their lives around.

Change is what ENCORE! is all about. Change in attitude, change in reactions and behaviors, and change in the family pattern. All of our students talk of breaking the cycle - giving their children a positive role model to look up to and to follow. Many feel that it is more important to go to school and to get a good job so that their children can be proud of them than for any other reason. They are determined to make a new life and to get away from the welfare mentality.

Nothing has driven this home to me more than the experience I had while completing a project for my center director several years ago. While poring over the welfare rolls at out local HRS office, I discovered that former ENCORE! students were listed as "case closed" - OFF WELFARE!

Thank you again for giving me the opportunity to share with you just a few of the positive things happening with ENCORE! Statistics, forms, outlines and brochures are in your packet. Please examine these contents and direct any questions you might have to me.

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Mr. SHAYS. It's wonderful to have you here. And at this time, I'll ask Genevieve Saltes to speak. What I want to make sure you do is pull that mike closer, so you might want to move the water out of the way a little bit. And also, I don't want you to feel rushed. I mean, we have certain time limits, but I want you to speak the way you want to speak and think of us as a family right now. All right?

Ms. SALTES. Thank you, Mr. Chairman. Boy, these two are tough acts to follow, come behind, but I'm just going to kick it the way it is. For myself, the journey was long and lonely.

For me, it began in 1984 when I was sentenced to 8⅓ to 25 years for manslaughter. It began that day because although blasted out of my mind on drugs, my feet guided me to the nearest precinct, where I told the desk sergeant what I had done and where my victim could be found. I didn't know at the time, but the moral values that was instilled in me as a child were surely coming into play.

When I first entered the Bedford Hills Correctional Institution for Women, I was thinking, "I belong here. Treat me like I'm supposed to be treated, for I took a life. Treat me as you see fit." I felt so strongly about this that I started to go to disciplinary proceedings for infractions of all sorts, with each infraction was a penalty of lockdown. You know, I didn't care, for in my mind, I wanted to be punished to the fullest extent of the law. I welcomed it, for even in prison, I felt I shouldn't be walking around after what I did. This went on for about a year, until a captain took notice and cared enough to enlighten me on my behavior.

I'll never forget her words. "Ms. Saltes, you can either do this time in lock-down, or you can stop feeling sorry for yourself."—I'm a little nervous.—"Stop feeling sorry for yourself and do something productive with your time." Why I took these words so strongly, I couldn't say.

Upon my release from lock-down, I decided to stop feeling sorry for myself. I received my GED and started college, only to be dismissed because of a loan default. That really brought my self-esteem down.

Mr. SHAYS. I'm sorry. What brought your self-esteem down?

Ms. SALTES. Not being able to go to college because of a loan default. In 1988, my mother suffered from a stroke and couldn't care for my daughter any longer, so I was lost. I wondered who was going to care for my child. I got involved with the children's center at the facility.

I came to know the workers and later found out that they were nuns from an organization operating in the five boroughs in New York City that would bring the children of inmates up to see them.

I inquired about the program they ran. I found that they had a house called My Mother's House, which was a place where the children of inmates were reared. After asking questions and filling out forms, my daughter was accepted and became part of their family.

I believe my many accomplishments came after knowing that my daughter was in a safe place. At this point, I was only doing things for my daughter, not for myself. I started doing the time. I didn't let the time do me any longer. Something was missing, though. Because when I went to my first parole board hearing, I was denied.

I didn't cry. I just accepted it for what it was. I felt that you can't really put a time on a life. My daughter didn't understand that, though. All she knows is that she wanted her mother, and all she knew was that her mother was not coming home to her.

Mr. SHAYS. How old was your daughter at that time?

Ms. SALTES. She was 14. I didn't know what else to do to get paroled. I already completed every program the prison had to offer except for the right ones. It took from 1988 to 1992 for me to realize that I had to start doing things for me and for me only. If I didn't do these things that needed to be done for me, I wouldn't be any good to my daughter upon my release.

So I began to enlist in programs that would gear me for the outside world, parenting skills, decisionmaking, down on violence, ACAT. I was beginning to realize how important my recovery was for me. I was released from prison May 1994. I went back home to the people and places that I knew only to find out that things didn't change one bit. It was like time stood still.

I knew I couldn't stay, because if I did, that would be the beginning of my end. But I longed so much for home. I just wanted to be with my daughter. I utilized all of the services that was offered to me upon my release, wanting to make a better life for myself and my daughter. I filed papers to reside at a place called Providence House. This place provided shelter for women coming home with no place to stay.

Once settled, I applied for public assistance and was put to work in a work experience program. That's when I heard about STRIVE. March 1995 is when STRIVE came into my life.

The application screening process. Everyone isn't for STRIVE. There are two stages you have to pass to start the program. The first step is to come in and fill out the application. Upon completing it, you wait to be interviewed.

One of the questions asked on the application was, "Have you ever been arrested? Felony, misdemeanor, and disposition of case?" Right then and there, I knew I wasn't going to be accepted, and I based that on previous job applications I filled out before coming here. Of course, I wasn't told that being arrested would count against me for this program. I was interviewed extensively for about 1 hour and was invited back to group interaction.

Group interaction, the orientation. Here I was in this huge room with about 60 other people. At 10 a.m. sharp, a gentleman walked in and said, "Good morning." I guess he didn't like the response, for he walked out of the room and then came back in again saying, "Good morning." He did this for a couple of times until he got the response he wanted.

His next couple of questions really threw me off. The questions were, "Just how hungry are you for work?" I said to myself, "What's going on here? What does being hungry have to do with job readiness?" The next question was, "Who feels they have a level of common sense and intelligence?" Hands rose, and this man said, "Then why are you having such a hard time finding work?"

I just listened. I wanted to see where this man was going with his line of questioning. He went on and spoke on a few other issues which to me at the time had nothing to do with job readiness. A few more people spoke about going through pain, black and

Latinos, struggles, dress codes. Then another gentleman came in and asked, "Why are you here?" Some people stood up and answered his question and would shout it out for reasons I still didn't understand at the time.

Screamed that. And if you didn't stand, this man wanted to know why no initiative was being shown. I found that this must be the attitudinal aspect, where buttons are being pushed and pain comes in, the pain of realization, from STRIVE's point of view.

After about an hour, questions could be asked. I responded to the way we were talked to. I opened a can of worms. No matter how I thought I could clean it up, I was digging a deeper hole for myself, to the point where this man stated I wanted to fight. He said he didn't have time to fight with me, and during the 10-minute break, I could leave. He had labeled me a troublemaker.

I came back after the break, mainly out of curiosity and to prove to these people I wasn't a troublemaker. Plus, I was never a quitter. And I wanted to see what STRIVE was about.

STRIVE, the first week. The first week went basically like orientation, attitudinal assessment, pushing buttons, cutting away the fat, meaning people who can't accept constructive criticism and change, rules and regulations and behavior. What bothered me the most was the borrow-from-Peter-to-pay-Paul concept. I was here for me. Why should I have to pay for someone else's mistakes or faults?

I believe only because I kept coming I understood why. We were given a reading, math, and oral directions test to see what level we were at. I didn't realize that some jobs might give some sort of entry-level test. This is something I learned from STRIVE.

As a participant of STRIVE, we were required to adhere to a dress code. Corporate dress is what they were looking for. We were also required to make a 5-minute video and talk about ourselves. Without realizing, I used the video to release the anger and pain of my incarceration and being away from my daughter, reasons I didn't understand, that I did my time, but yet in the work force, my crime was a shadow over my head for my life, rest of my life.

That day, I cried. That day, a burden was lifted off my shoulders. That day, I started to like myself. I still had a long way to go, but guess what? I felt good about STRIVE. Each participant is paired off, and you are responsible for the person you are paired up with. The concept of we're all connected was put into play.

The rest of the week was more attitudinal training, cutting the fat and constructive criticism. The process of elimination was a continuing process. I finally realized two things that I didn't want to accept. One, yes, we were all connected. When people were terminated, it felt like a piece of the umbilical cord was cut, and our link became smaller. Two, I knew it had to be done, because you are only as strong as your weakest link.

So in life, there would be times when I would have to make decisions for the better of the company. I say "company" because I was to the point of thinking like an employer, not an employee. I realized the first week that without understanding the support aspect of the training, the results for myself would have been probably getting a job, but how long would I hold onto it? Even though the

first week was intensive, the rewards of learning to like yourself was for me my reward.

Now, I could sell myself on an interview. My self-confidence was growing, and now I could go on and interview and could accept rejection and not let it hinder me from moving on instead of giving up. My goal was to keep trying and never give up.

STRIVE has given me what the penal system hasn't. I received the skills, the recovery, but not the pain that was needed, the attitudinal aspect to start to like myself and to realize that it's up to me to want to make a change. Just because I was incarcerated didn't mean that I was going to be shunned away. I realized that if you strive for change, you have to make it happen, to know you have choices no matter what.

Now, there will be steps no matter how small, but there will be steps to take to accomplish your goals. The test is patience, time, and acceptance and never forgetting the steps it took to get there. To reach that goal, no matter how long it takes. I never forgot what Les Brown said: "When the world around you seems closed in and everything is going against you, if you fall down and you can look up, you can sure enough get up."

There was a gap in my work history, so I began interning in STRIVE to acquire some office skills and build my work experience. I interned for 5 months. After that, I was hired part time. The help was needed in the different components of the organization. There was some job openings for the coming 1996 year at STRIVE. One position was of interest to me, and that was the assistant trainer position.

I always knew that counseling was my goal, to reach out and share my experiences with others, to let people know that you can do it, it's up to you, and how much pain are you willing to go through to let go of your fears, to let go of the garbage inside you that has hindered you from moving on. I wanted to let people know to stop feeling sorry for themselves, to stop blaming other people for your own shortcomings.

I requested an interview for the position. All the STRIVE training and thinking came into play. I passed the interview and started working my first real job in January 1996. Since then, I've done a television appearance on a cable program called Have A Heart, and I was offered a 3-month editorial in a magazine to share my testimonial.

I thought I wasn't quite ready for this opportunity, but now I have the opportunity to come here before you and give you my testimony. And I want to thank you for allowing me this opportunity.

My goal is to continue to reach out by going back into the penal system to share my testimony with people on their way out. Hopefully, they will take my success and realize they, too, have a chance to become productive citizens again. Thank you.

Mr. SHAYS. Thank you for your gift to us.

Corrine Kalbfeld? I'm sorry. I have a problem with—I don't know if the "B" is silent or the "A" is silent. Besides learning how to use computers, I have to learn how to pronounce people's names.

Ms. KALBFELD. That's OK. Thank you. Thank you, Mr. Chairman.

Mr. SHAYS. Well, it's wonderful to have you here.

Ms. KALBFELD. Thank you. I'm a graduate——

Mr. SHAYS. I'm going to ask you to pull your mic closer.

Ms. KALBFELD. Yes, sir.

Mr. SHAYS. Even more. Even more. We want to hear you. Thanks.

Ms. KALBFELD. I am a graduate of the Encore! Program at Charlotte Vocational Technical Center in Port Charlotte, FL. Charlotte Vocational Technical Center's Encore! program saved my life. The Encore! Program truly works, and I am here today as proof of its success.

After my divorce, I was left with two small boys to raise alone. My mother had just passed away, and I was new to Florida, with no friends or family nearby. I had lost my support system.

Mr. SHAYS. I'm sorry to interrupt you, but just tell me the age you were and the age of your children at that time.

Ms. KALBFELD. My youngest son was 7, and my oldest was 11, and I was in my mid-30's.

Mr. SHAYS. Thank you.

Ms. KALBFELD. I had difficulty making ends meet with minimum wage paying earnings. And at that time, I had to turn to food stamps, Medicaid, and AFDC to survive. I was in a constant state of anxiety, always fearful of the future. I knew that I was lacking marketable job skills, but I was desperate to find a way out of the poverty and depression.

Before I enrolled in the Encore! Program, the boys and I lived together as a family. Once I knew that I was going back to school full-time, I realized that I wouldn't make enough money working part-time to keep my household going. I asked my ex-husband if he would take care of the boys while I was in school. He agreed, so I gave my ex-husband temporary custody of my children.

While I was a student at VoTech, I had to move four different times. I once even lived in a garage, and there were a few Friday afternoons when school got out that I had nowhere to go. Problems soon started for my boys, also. They lived in town, and every day before and after school, I went to see them for a few minutes just to let them know that I loved them and that I missed them.

One day, my youngest, David—he was 7 at the time—he came up to me with tears in his eyes, and he told me please not to come by anymore before and after school. When I asked him why, he told me that after I leave, my ex-husband and his wife made my son's life a living hell. Those words are my son's, not mine. And he also said that it just wasn't worth it.

In the 4th month at school, just 1 week before my midterms, my ex-husband called me and told me that I had 1 week to come and pick up the boys. He said he could no longer take care of them, and that if I didn't come and pick them up, he was going to have me arrested for abandonment charges and he was going to put the boys in a foster home.

I asked him to please give me at least 2 more weeks, because by then, I would be on Christmas break, and I would have time to find a place to rent. He reluctantly agreed. I managed to find a 30-year-old one-bedroom mobile home with no stove, contaminated water, and a refrigerator that worked sporadically. I am 5 feet, 4 inches tall, and the couch that I slept on was 5 feet long.

We lived like this for 2½ years. Sometimes, I thought I would lose my mind, but we were together. While in the Encore! Program, we did an exercise called the brown bag. And I would like to show you what the brown bag is at this time.

Mr. SHAYS. I was going to ask. You are the first witness that I have ever seen bring lunch to the——[Laughter.]

Ms. KALBFELD. No. Mrs. Watters had asked the participants of the Encore! Program to get a bag, fill that bag with essence that are ourselves. I must confess, at the time, the bag was pretty slim, but these are the contents of my brown bag. The first thing I pulled out were my divorce papers. When I got these papers, I was shattered. But looking back now, these papers were the best thing that ever happened to me.

Also in my brown bag were pictures of my boys. They are everything to me. At the time I was a student in school, I drove a 1977 Ford LTD. This thing was as big as a block and would leave me on every corner of Port Charlotte faithfully. So I also carried a want ad of a newer modeled car.

I found this exercise to be very therapeutic. Not only did I get to know myself, but I allowed myself to dream, something I hadn't done in many years. So with my dreams, I also included a picture of a home that I had wanted for myself and my children one day.

The Encore! Program, with its can-do attitude, helped to boost my self-esteem. It gave me the support service and the skills that I needed. Well, here's my bag now, quite a difference, wouldn't you say? I am happy to say that for the last 5 years, I've been a Habitat for Humanity homeowner.

Mr. SHAYS. I want to see that picture. Your home, huh?

Ms. KALBFELD. My home. Yes, sir. I'm happy to say that I no longer drive that 1977 Ford LTD. Now, I drive a 1984 Dodge Aries. [Laughter.]

Please do not laugh, though. The car does run well. This car only leaves me at every other block in Port Charlotte. But along with my dreams, I have a dream car, and it's a 1997 Ford red Mustang convertible.

I am also very proud to say that I am a student again. I enrolled in Florida Southern College. I am working for my bachelor's degree. There is no funding for this. I pay for this education on my own. My oldest son now is in college. My youngest is a freshman in high school. And they both have career goals in law enforcement.

But it gets even better than this, because now, I am an instructor at Charlotte VoTech, where Carol Watters taught me 6 years ago. I had gone into their dental assisting program there, and 6 years later, now I'm one of the instructors for this program. Unbelievable. Absolutely unbelievable.

I went from a minimum wage paying job to making $16,000 a year while working as a certified dental assistant as a State employee with the Department of Corrections. Now, I'm earning at Charlotte VoTech just under $30,000 a year, where I contribute $5,000 a year in taxes.

If it weren't for job training programs that work, I shudder to think what my life might be like today instead of being here with you. Thank you.

Mr. SHAYS. We'll allow the audience to applaud.

[Applause.]

Mr. SHAYS. I almost am tempted just to adjourn, savor the moments. It's wonderful to hear what you both have wrestled with in your lives and how you have come so far. And we all walk in different moccasins. I don't walk in your moccasins. I'll never fully know what any of you have had to go through, nor do you walk in mine.

And I was thinking of Mr. Carmona's comment of speaking from the heart. We all have to wrestle with a lot of issues. And one of the issues we wrestle with is the fact that we spend $20 billion. On this side of the table, we think that a very tiny amount of it is used effectively. And we on this side of the aisle are outraged that it's not used better.

I know that the kind of words you hear mean something to you that may mean something different to me. And so you can feel an outrage, but I feel an outrage and an indignation and I could go on at the misuse of dollars that could be used so much more effectively. That's one part of what I feel.

The other part is, as someone who has been a moderate sometimes perceived as a liberal Republican, I could hide behind my good votes. I could hide behind my good votes. I could say, Well, I was there. I voted for that program. And I believe I was more a part of a caretaking social and welfare State. And I want to be more a part of a caring opportunity society.

And I know "opportunity society" is used by conservatives, but it's a word that has been there for 200 years, and I claim it. But I put the word "caring" in front of it. Maybe our marriage is that we can get beyond some of the rhetoric.

I started doing a test about 4 years ago. Anyone who had overcome tremendous obstacles, coming from the backgrounds that you—maybe not to the same extreme, but you would certainly know and be able to identify with—and they succeeded. I always asked them why did they succeed. What did they attribute it to.

And there is a consistent—I want to add a point to there. I mean, it is the motivation. It was someone that was there to either inspire them through a carrot or a stick to dream. The one that I really remember was the woman who came who told me of her mother. When the woman was 12 years old she had six brothers and sisters, and her mother was a schoolteacher and her father passed away. And they were devastated. Seven kids.

But her mother always dreamed that they not only would have a college degree, but they would have a graduate degree. And she was there to tell me that all seven of them had graduate degrees, two doctors, a lawyer—thank goodness, only one lawyer—that's the moccasin I wear, not being a lawyer and wishing there weren't many more. But they had all—and maybe it was partly their mother's dream, but it became their dream.

So I began to say, "When am I as a government official giving the handout, making myself feel good, covering my base?" so that you could look at me, Rob, and say, "Boy, that's a thoughtful, caring person"? So I would contend that some of what you see in this Congress that you think is harsh is some of the pain you talk about. Some of it may be misdirected, but there's a lot more than meets the eye.

And that would be my plea to you, that you would realize that there are a lot of caring people who believe for a whole host of reasons that we have got to do it differently. I'm not saying everyone.

Now, I spoke more than I would like to have had, but I just wanted to put it in this context. I think I would add two things to this list, and maybe they're incorporated in the list. One is good management. Another is followup, this caring, absolute, total devotion to making sure that you just didn't give somebody the training, but there's this followup and you continue to stay in touch. And I would assume that that exists in both programs; is that true?

Ms. SALTES. Most definitely.

Mr. SHAYS. And I'm tempted to get GAO back here just to ask if followup is in one of those four items. But if not—and is this a final report that you all have put together? Could you come to the mic a second? Thank you very much.

Ms. JOYNER. We are still preparing our final report. Of course, this is our official testimony statement, but the report itself is in the final drafting stages. And one of the things that we do talk about in there is the followup and the fact that—the significance of followup in the different projects that we looked at.

STRIVE, I think, has already talked about at least 2 years and then beyond that, if you need to come back. And that was characteristic of the projects that we looked at, that they all had some sort of followup like that.

Mr. SHAYS. If you don't mind just bringing—if you could change chairs again. If you don't mind staying up here, because people might want you to comment. But if you still have the ability to ask those that have worked on this document to look at the issue that Mr. Towns has raised about good management and the issue of followup and see how you can describe them. And see if there is that commonality among all six, if you haven't written the final version.

Ms. JOYNER. No, I think that we would put the followup in. It's in there, and it relates in a couple of ways. For example, in the barriers, that a part of removing a barrier is to make sure that it stays removed. Some of the projects that we have looked at, part of what you sign is an agreement that if something changes in your life, you will let them know, and you will let them know before you miss the training. So that if your car breaks down, leaves you on a corner and you're having trouble getting in, your commitment is to let them know so that they can address that instead of missing several times. So I think that we can fit it in and we can make sure we emphasize that.

Mr. SHAYS. I'm just asking you to think about it and wonder if it doesn't get lost in those. I think your report is going to have a lot of impact. And therefore, I think it's worth getting the continued input from the testimony that we have had. I'm going to ask both of you to switch chairs again. But if you don't mind staying up, it may be that you need to just weigh in a sec.

I would ask each of you to just comment on each of those four points, and then I'm going to give the floor to Mr. Towns. Do each of you feel that that is—I'll start with you, Mr. Carmona. Do each of you feel that those are four essential ingredients, and would you add any to them?

Mr. CARMONA. I absolutely agree. And I think the points that you added, management and the longterm followup and client commitment, are really the salient features. Beyond that, I think that those six features would kind of cover it.

Mr. SHAYS. You would also probably agree with the Labor Department testimony—I don't know—but his point that a lot of bad programs may include this, so it's the degree to which they include it?

In other words, his point was that you may have removed some of the barriers, but maybe you didn't remove enough of them. So would you agree that all of these have to be followed to a significant measure?

Mr. CARMONA. Absolutely. Absolutely.

Mr. SHAYS. Ms. Saltes.

Ms. SALTES. Yes. Well, for me myself, the STRIVE Program is only 3 weeks. So sometimes, I feel to myself that it should be longer. I mean, I'll be having some of my graduates coming up and saying, "I want to do another week. I want more." Because it's like we start to unravel some of that garbage in them, and it's like they get so into it, then at graduation time, they're not ready. They want some more.

Mr. SHAYS. Well, this is very interesting to me. You're saying to me—I've made an assumption that for them to have had the impact on your life that they did, that they needed to have more than 3 weeks' contact.

Ms. SALTES. You know, for some, it takes longer. For some, it takes longer. Just for me, it didn't.

Mr. SHAYS. Have you ever been in contact with that guard in the prison that basically told you to stop feeling sorry for yourself?

Ms. SALTES. No, I haven't heard from the captain in a while.

Mr. SHAYS. I think she needs to know what you've done with your life.

Ms. SALTES. No doubt. Matter of fact, I did see a CO this past weekend, and I told her to relay.

Mr. SHAYS. But if you ever want to find a way to get a hold of her and you can't, you let us know, and we'll make sure you make connection.

Ms. SALTES. Great. Thank you.

Mr. SHAYS. That would be my pleasure.

Ms. Watters.

Ms. WATTERS. When you discussed the amount of time, we started our workshop for the same—with the same impact, 4-week segment time period. And our students at the end of the workshop do an evaluation. And the one thing they all said to me and the center director, "This has to be longer. Our umbilical cord was not ready to be cut." So we stretched it to 6 weeks, and we found that it sort of tied up loose ends. It gave them a little more strength to go out.

Mr. SHAYS. I'm rewriting a paper that shouldn't be rewritten, then. So a year later, you're not in touch with your students?

Ms. WATTERS. Oh, no. They know me so well, I know every time there's a crisis in the family. I know every time there's a pleasure in the family.

Mr. SHAYS. So even though the program isn't——

Ms. WATTERS. The program, the kick-off, the bonding time when you spend——

Mr. SHAYS. Are you funded a year later to make sure that the students who went and the adults who came before you are continuing? Are you funded for that, or do you just do it because you do it?

Ms. WATTERS. I'm funded for X number of dollars to serve students, and it's based on the most need. The funding is financial support. The other support is what I do with my time. But we have broken it down to potential students. Students are enrolled in a vocational program, and we have completers. Corrine is a completer. I'm the one who said, "Corrine, there's an opening at the school. Please come and apply."

Mr. SHAYS. So the bottom line is, you're staying in touch with them, but——

Ms. WATTERS. I stay in touch with them, or they stay in touch with me.

Mr. SHAYS. But it's not necessarily a formal requirement that you stay in touch?

Ms. WATTERS. No, you don't need a formal anything when you're doing——

Mr. SHAYS. I just hope that doesn't get lost in the report, then. So it's not there, but—wow.

Ms. WATTERS. For some of these people, you're the best friend they have ever had or the only ones who have shown them the way or the only mother or father they have ever known. And they depend on you more than you can imagine. I don't know that it needs to be written in there.

Mr. SHAYS. Well, we're trying to understand what makes this program work. And I just don't want it to get lost. You have not said, "I've done my job; now, onto the next." And you do it partly because the program requires it but partly because your sense that this has to happen and partly because you just love these people, you love these students that you have, the people that come before you. And that comes through.

Ms. WATTERS. Right.

Mr. SHAYS. Ms. Kalbfeld.

Ms. KALBFELD. Well, I just want to say I agree with these four aspects of the program, and I think that the two that you mentioned would also help to be placed in there. I know for myself coming out of a really bad marriage, Carol Watters really gave me the confidence that I needed at the time.

It's very important for me to be able to look in the mirror and feel good about myself. It's also very important for me to have my children have a high opinion of me. And I just didn't feel taking them down to HRS with me to pick up food stamps was an appropriate role model.

But when my children could come and see me at school and they see me on Saturdays and Sundays spending 10 and 12 hours a day at my kitchen table doing my lecture notes and my study test, this is a positive role model. Hopefully, it will keep them out of trouble, get them motivated, and get their children motivated.

Mr. CARMONA. If I could just make a comment?

Mr. SHAYS. Yes, sir.

Mr. CARMONA. Because I heard your question about whether the followup was something that was supported. In my experience, government funding doesn't stretch that long, and I've always believed that it should. We raise money from foundations, and that's the exact premise, that we're going to stay with our clients for a minimum of 2 years, but the commitment to them is for a lifetime.

Mr. SHAYS. So it's a 3-week program, but you try to——

Mr. CARMONA. It's really a 2-year program if you stretch it out. And then they can come back 5 years later and say, "Hey, my company went belly up. Help me get a job."

Mr. SHAYS. Well, I'm going to give the floor to Mr. Towns. I would love to take it longer, but——

Mr. TOWNS. Go ahead, Mr. Chairman.

Mr. SHAYS. No. Well, I'll just make these last two points. Any time you can teach people to dream, you have gone a long way. And then you help them reach that dream. The other thing is that nothing touches me more than thinking a program can for the first time help your children admire you as a parent. Nothing touches me more than that.

Mr. Towns.

Mr. TOWNS. Thank you very much, Mr. Chairman. And I just would like to just begin by saying that the testimony was just so powerful across the board that I just sort of wish that there was some way or another that we could sort of get this message out. And I'm sort of sitting here thinking, how do we get your story out? How do we get your story out?

I think that people need to hear the story and that maybe if we could get them to hear the story, that maybe we might be able to change some attitudes. Because that's the problem, too. And, of course, until we're able to do that, it will always affect your ability to be successful. And we have to sort of recognize that.

Also, I was just sort of looking in terms of this model. And there's some things I don't know how we could get into it, but it seems to me that it would make a difference—as I hear things, as I listen to your testimony, and as I sort of get the vibes and the feelings from you sitting at the table, that personality also plays a very important part in the final product.

Now, I think that that's important. And I think that Mrs. Watters probably touched upon it in terms of—that fakes and frauds, they don't need to be in this business in terms of providers, that they can sort of find them out right away. And, of course, it affects your final products, as well.

So I'm just sort of sitting, not knowing exactly in terms of how we can do this in terms of getting this information out or helping you to get it out, because I think that the story should be told. Now, I also recognize that that's not easy, either. Because sometimes, people don't want their full story told. And I understand that.

But I'm just sort of saying, we need to do something, and I'm not sure as to what we can do. So maybe I can ask my question by doing it this way. Let's switch roles. You're a Member of the Congress. I'm sitting there testifying. Now, what should I do?

Mr. CARMONA. OK. [Laughter.]

Mr. CARMONA. I remember a time not so long ago where particularly in human services there was a feeling that the most effective service provider was the person that lived that client experience. Somewhere in the last 5 to 10 years, we have gone more toward, "What school did you go to? What are your credentials?" not, "What experiences do you have that are common with your clients?" And that speaks to Congressman Towns' sincerity piece. That comes across.

That somehow, we are able to develop structures that actually take the client, the person that left that experience, and move and facilitate an avenue for them to move up into the management of these programs, I think that's critical. Thank you.

Ms. SALTES. It's funny you would ask that, Mr. Towns, because I was listening to the news, I don't know, about 2, 3 weeks ago, and there was a survey about "Do you know that the teachers that are teaching your kids in the classroom are convicted murderers, rapists?" I'm a convicted murderer. That's all society sees.

I would love to tell my story. I think like my boss said, I've been there. I think people relate more to a person who has been there than textbook. I've been trying to go to a lot of—I'm trying to get back into the system now. I'm still on parole, and I have to work it through. I've been on parole for like 3 years now, coming up for hopefully early release next year.

But when I seen that on TV, I said to myself, "Well, so; that's what I did years ago. I'm not that person. When is society going to start seeing me for who I am today?" OK. I took a life, true. But God works in mysterious ways, and I have to say that, because look where I'm at today, in front of you. I never thought in a million years that I would be in Washington, DC, talking in front of a congressional committee.

Things happen for a reason, they say. No, I'm not proud of the fact that I took a life to get me from one point to the next, but it happened that way, didn't it? So I look at that. And I would love to tell my story. You know, I would love to get the word out. I would love to. And it doesn't matter who says I can't. If I can, I will.

Mr. TOWNS. Thank you. Thank you.

Ms. WATTERS. I really have to echo that. I have discovered in my work that our students are our best Ambassadors. I do an awful lot of talking in the community to get some—it used to be I needed a lot of money, and I used to go out and talk to different service groups to help me to get scholarships and so on and to get to know who we were and what we were doing.

And I found that it was OK if I went, but they really wanted to see those students. So I take my students with me, and they either give their bag or their life, and you can't imagine what impact that has. And please don't miss this little thing that was in your packet, because it's developed by our equity department and done by the University of South Florida.

Corrine's story is right in here. This is going all over the State and the Nation. So this is—I think it's just getting the word out. And how, I'm not sure, but this is going to help a little.

Mr. TOWNS. Thank you.

Corrine Kalbfeld.

Ms. KALBFELD. For my own self, there's two causes that I campaign, and I do it all the time to all different groups, and that is Charlotte Vocational Technical Center, the Encore! Program, going back and getting more of an education. And I also am a big believer in Habitat for Humanity.

And just in the course of my daily life, I could be at a grocery store, and a person will come up to me—usually, I wear my uniform and my pin. They want a little information about VoTech. And I always ask them, "Are you a single parent?" And most of the time, they are. And I tell them, "Before you get into any program, check out the Encore! Program first at VoTech." So it's a lot by word of mouth. That's the way I do it.

Mr. TOWNS. Thank you, thank you, thank you, all of you, for your testimony.

Mr. Chairman, I yield back.

Mr. SHAYS. Thank you.

Mr. Green, you have been very patient. Thank you very much.

Mr. GREEN. I'll be brief, Mr. Chairman, because I know those bills mean we have to go vote and then am back for our next panel. But I guess in reading the testimony and hearing today, I agree with my colleague from New York that it's powerful testimony. And I guess the frustration I have is that what we see on the national news is the problems with the system that the few who take advantage of the system, going back to your testimony, Mr. Carmona, nothing can replace the sincerity of the service provider.

Because I don't know what national show it was on, "20/20," "60 Minutes" or whatever, about the Puerto Rican experience where they were training farm workers for jobs that weren't there, jobs that paid less than minimum wage, I guess. And so the sincerity of the service provider.

But all of us wish that we could hear your examples on "60 Minutes" or "20/20" or whatever other show instead of the problems. But then that's true with our society. You know, our preachers in our churches don't preach to the 95 percent who do good; they preach to that 5 percent who need help.

And I appreciate, Mr. Carmona, your testimony about the working—the experience, putting yourself in that person's shoes, to be able to then show them that you have that work experience instead of that education maybe because you probably still have the education, but you also know what you go through.

And it's funny, because as Members of Congress and elected officials, I think most of us try to get elected by showing that we are part of the community that we represent, that instead of saying, "Well, I went to whatever school," you want to have the same experience as your constituents, because your constituents value that more than they do your sheepskin on the wall, although they may be impressed by it. But they relate more to you in your experiences with them.

Let me just ask one question of Ms. Watters. And I noticed in your testimony two things, really, your up-front assessment. And no matter how you do it, whether you do it with the bag or—that is something that I think we all recognize that the person has to look at themselves and find out what they want to do to know that they also have that opportunity to do something.

My chairman and I disagree on philosophy a lot of times and maybe even on semantics on an opportunity society, but I think we agree on the principle.

Mr. SHAYS. Well, it's mostly semantics.

Mr. GREEN. Yes. We agree in principle on what it is, maybe not the difference to manage. But the up-front assessment, I think, is so important.

But the other part I wanted to ask Ms. Watters is that in your testimony, you say that once a decision is made to follow a career path, a student is placed on a waiting list for that program. Can you tell us about how long that waiting list may be? Because one of the frustrations I've heard is that sometimes those waiting lists may be very long, particularly in Texas.

Ms. WATTERS. Right. You're absolutely right. We have worked with that, and we have struggled with that. Most of our programs are open entry, open exit, which means that when a seat is emptied, another student can go in. It's not a class working together.

And I will tell you that the Encore! students are sometimes given preference for that because they are labeled, although they don't know they're labeled and the school doesn't, but in student services, they are special needs, and they are pushed in as soon as they can.

The nursing program is the worst because that is where the dollars are, and that is where we are really pushing people to go. So what we have done is extracted patient care assisting, which is the bottom level of the ladder, out of the total licensed practical nursing program, and we have given many, many, many—it's like a core program, and we have given a lot of programs offering that at a very fast pace, so that if you came in to me and wanted to be an RN, I could within 3 months get you into the very basic core program.

At that point, you could go out and work for a while in that field waiting to get into the next level, which is the LPN, and then the same progression—we try to work on ladders because we cannot possibly put everyone in the LPN program right off the bat. So we have broken it out because we know that once we let them go, we will have the chance of losing them. But that's how we have done it.

We also try very hard to stretch out their remediation if they need it. That keeps them enrolled in school, keeps them on campus, keeps them in touch with us. We also use our students as peer mentors. If someone is finished with remediation, waiting to get into school, I would tap someone in that program to keep constant watch of that student that's supposed to be coming, or I will find excuses for them to come to school and meet with me.

Mr. GREEN. Thank you, Mr. Chairman. And again, I appreciate your testimony today. You're the reason all of us—and I know your service providers are there.

Mr. SHAYS. I thank the gentleman, and I would sincerely thank this panel, as I thanked the panel before. We are going to adjourn—not adjourn—we are going to recess. And my estimate is we'll be back at about 20 after. We have one vote and then a 5-minute vote to follow.

And the third panel may not be as emotional to us as the others, but it's very important. It's the private sector and how we marry the need of people who have to be trained and have a job and so on and where those jobs are and so on, so it's a very important panel.

And we thank the third panel for their patience. But I think they probably enjoyed listening to the other panels. So with that, we will resume at 1:20 approximately. We're in recess.

[Recess.]

Mr. SHAYS. I'm going to call this hearing together. I'm going to ask Mr. Bruce Carswell, consultant to the chairman, GTE Corp.; Rex Davidson, executive director of Goodwill Industries; and Janet Tully, director of community employment and training programs of Marriott International, if all three of you would still stay standing and raise your right hand.

[Witnesses sworn.]

Mr. SHAYS. Now, I am sorry that the third panel ends up having to wait the longest and then some of the audience is no longer here. But your testimony is very important. And I would make the point to you that we are going to be very serious about this issue. We are very serious about this issue, and we're going to be influenced significantly by what you all have to say. And we'll start with Mr. Carswell.

Mr. CARSWELL. Thank you.

Mr. SHAYS. And if you have to take off afterwards, feel free to leave.

Mr. CARSWELL. I'll stay as long as I can. I must say, the morning has been educational to me. I feel rewarded by sitting through it.

Mr. SHAYS. You know, I appreciate your saying that. Thank you. You know, my goal is to finish up in 20 to 25 minutes if we can, and we'll just see what happens.

STATEMENTS OF BRUCE CARSWELL, CONSULTANT TO THE CHAIRMAN, GTE CORP.; REX DAVIDSON, EXECUTIVE DIRECTOR, GOODWILL INDUSTRIES OF GREATER NEW YORK, INC.; AND JANET TULLY, DIRECTOR, COMMUNITY EMPLOYMENT AND TRAINING PROGRAMS, MARRIOTT INTERNATIONAL

Mr. CARSWELL. OK. Mr. Chairman, I do appreciate the opportunity to participate on behalf of business in talking about a business perspective of whether federally funded training is on target. I must say, it's a parallel to corporate training. We both have many of the same issues, which I'll come back to, and, therefore, many of the same maybe perspectives and ways to manage the process become helpful.

Because it's very important to have training which is relevant and which enhances the skills of the work force of America and equally important that career opportunities for employees both today and over the next few decades—because it's the vital part of having a successful Nation.

I am a consultant for GTE. I'm a consultant to the chairman. I retired a year ago after 37 years of service. I obviously joined the company as a small child. I do have some relevancy to this particular area. I was on the SCANS Commission. I'm currently on the National Skill Standards Board dealing with skill standards, many

of the things which are certainly the foundation of why you have training and what you train for in the future.

I come from a company, GTE, we have 105,000 employees. I was senior vice president of human resources administration for the last 12 years prior to my retirement at age 65. As a result, I had a fiduciary responsibility to make sure that either internal training or those in partnerships with States and local governments and Federal Labor Department, if you will, were relevant to our work force.

We spent—if I took last year as an example, we spent over $150 million on training last year for all levels of our work force, recognizing that the workplace is changing rapidly with technology, employee involvement, with different ways to organize your workplace and high-performance workplaces. And you can't do those things unless you retrain your work force and/or go to organizations which understand your needs and have a product which really meets your skill standard needs.

So I have a very, very strong feeling about this subject. And I learned from what I heard this morning. I'm also on the board of the National Alliance of Business—it's a nonprofit organization of business companies whose primary focus really is the enhancement of education in the United States, with the end product to be developing a higher standard work force, which is critical to our future.

I understand this hearing focuses on both what's going wrong, if you will, but more importantly going forward, what can go right——

Mr. SHAYS. No, this really is focused on what are the ingredients that are needed to make a program work well.

Mr. CARSWELL. Right.

Mr. SHAYS. And what we're going to be really interested in knowing from all of you is particularly the issue of linking skill training to local employer needs.

Mr. CARSWELL. But to do that, you have to look at a little bit of the past and understand where those local needs or in a broader sense, some national needs—I mean, some jobs are not local in nature. The skill standards are the same whether you're sitting in Oregon or sitting in New York City. And I think that's relevant in terms of duplicative training development going forward. So we feel that that has to be kept in mind.

Traditionally, the Federal programs have focused more on the disadvantaged and what have you. Going forward—they have to, I think, profile and focus on everyone and take the time needed. Recognizing the disadvantaged may be on a different time spectrum, they can't be so inflexible that it's only 3 months for all people. Some people may take 5 months. Some people take 7 months. The spectrum has to be considered in terms of where they have come from.

I couldn't help but be impressed with Mr. Towns' comment in terms of reading the New York Times, the classifieds on a Sunday and seeing all the jobs that are there, yet having high unemployment, particularly in New York City.

I think it's relevant to and your comment is relevant to—there is a mismatch going on. Relevant training focuses on needed skills, it anticipates how the work content is changing, how it's performed

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is changing and how it's going to change up through the year 2000 so people are being trained for a career opportunity which might be with many different employers versus 30 days, which is unacceptable, or 6 months, which also is unacceptable, but rather managing a career opportunity. And relevant training really goes toward that.

I would like to touch on some shortcomings which have to be kept in mind as we move forward, and then I would like to talk about some principles which I think very much interrelate with——

Mr. SHAYS. I'm going to encourage you to do that in about 4 minutes.

Mr. CARSWELL. OK, some principles are on the board. And I would like to just talk a little bit about the business role. Certainly, short-term training, I think, has to be looked at and who are the people who are being trained. Whether it should be short or long should be dependent on the product you're trying to produce.

Second, I think that training content which is not tied to business or employer—because employers go beyond business, because they can be profit or nonprofit organizations—they have to be tied to relevant standards which are constantly updated in fairness to all the stakeholders, the employer, the employee, and the training facility which is trying to design relevant training for the future.

And therefore, the employer community has to be very closely tied in. I would just say as an aside, we are currently in a project for our 2,000 people in Massachusetts working with Massachusetts and the Department of Labor in the defense industry covering a defense industry transition where we're analyzing the skill gap of our 2,000 people in a very concentrated sense and devising training programs which meet defense going to commercial type businesses and different technology business going forward so that people are trained for our jobs, as well as other high-skill work force jobs in the State of Massachusetts. And it's a good way of illustrating the need to analyze the skill standards that are needed going forward.

Third, organizations that are doing training are really not always tied to—and I think the point was made—to the real skills that are being required in the marketplace. And that has to be a constant monitoring project. It can't be that you were good 2 years ago. It has to be some constant measurement looking backward. Are they producing the product which is producing long-term employability in the workplace? And that measurement process is very important.

That turns you to some principles which should guide the future. First of all, we have to invest heavily in terms of primary education. That's where the foundation is being built and has to be built, so that people in today's world where learning has to be constant in terms of updating your skills, is really built in terms of a quest for learning.

So you have to start, and the first building block in working better is in terms of primary education, secondary education, anticipating the skills which are going to be required in the workplace. And that's to serve all the stakeholders. No stakeholder is sacred in that.

They all have to be served, the employer, the employee, and the trainer who's producing the type of results that we heard on our

past panel. Whether it be skill training or other interpersonal or esteem training, they're all equally important. They go together as a cadre.

Second, we feel that training should be tied to industry-recognized standards. Whether they're local training standards or national training standards, we would also urge that they be voluntary training standards where a partnership is formed between industry, schools, the community in terms of understanding the jobs that are available and what skills will be needed today and going forward.

In that regard, we would urge we go one step further, that the government only invest in the training which really produces measured results. We feel that looking backward, if you will, didn't work. Just as you have to run a business, if you're not producing quality, did it work, then we really ought to move on to training group B, training group C.

We ought to be rewarding with new opportunities, organizations which are measured and provide product which meets skill standards for longer-term employability. And whether it be vocational schools or secondary schools, they ought to be tested in that fashion. It goes to——

Mr. SHAYS. Mr. Carswell, I want to share a little agony I have here. I need to be in the Capitol at 2 o'clock. and I want to be able to hear the other two witnesses.

Mr. CARSWELL. I'll give you 2 more minutes at the most.

Mr. SHAYS. OK.

Mr. CARSWELL. Anyway, the business oversight role, in every aspect, from creation of the standard, to measurement of the standard, is quite important. We feel the pending Careers Act which was talked about in terms of bringing all things together and having one-stop shopping is very important. We feel the Work-to-School programs are very important and interrelate with the national skill standards in terms of end-to-end product and opportunity.

We feel that federally financed programs could learn from what has happened in the quality programs that have been utilized by corporations in the past, that if you ask for quality at one end, it goes end-to-end, goes through all the training systems, as ISO 9000 has done.

And if you have accreditation of vocational programs or certified skill standards programs, it will provide affordability across the national workplace. A customer service person is a customer service person. An electronic technician can be an electronic technician, whether they're in Oregon or whether they're in New York, if you will, if you accredit core-skill standards which are enduring and kept up to date.

So our bottom line is that education and training is critical to America's future. The government, just like industry, has to get the optimum result from its training dollar.

And now is the time to look at all the training programs and see what fits the business employer needs in terms of skill standards, rate the providers accordingly, make them part of the partnership,

but rate them accordingly and utilize, those who meet the quality going forward. And we'll then have a community which services both employees, employers, the community, and education alike.

[The prepared statement of Mr. Carswell follows:]

Statement of
Mr. Bruce Carswell
GTE Corporation

MR. CHAIRMAN, and members of the subcommittee, I appreciate the opportunity to discuss the business perspective on how federally funded job training programs, or any job training, can more effectively instill the job skills that employers need and will value and, thereby, enhance long-term employability and careers of the American workforce.

I am Bruce Carswell, Consultant to the Chairman of GTE Corporation.

This topic is timely, because the competitive world economy is changing rapidly, both the nature of work and the levels of skills needed in the workforce. At the same time, I understand that Congress is looking to reform workforce development policies in legislation, optimizing the skills of the American workforce now and over the long term. Inherent in this goal must be maximizing the effectiveness of the training investment dollars, whether that of the government, employer or employee.

My perspective on these issues is influenced by a career as a senior corporate human resources officer, for many years, until my retirement in 1995, as Senior Vice President of Human Resources and Administration for the GTE Corporation. In the rapidly changing telecommunications industry, GTE has always viewed our investment in the upgrade and enhancement of employee skills as an important investment and a competitive edge and the long range employability of our employees, wherever they may be. I have served on several relevant national commissions, such as the Secretary's Commission on Achieving Necessary Skills (SCANS) in 1991-1992 and the current National Skill Standards Board.

I am also here, as a member of the Board of Directors, representing the National Alliance of Business, which is a business-led, non-profit organization dedicated to building a competitive American workforce by enhancing the skills and knowledge of workers to meet the needs of business.

This hearing is not just about what practices might be effective or ineffective in current programs, but what policy principles and experience might guide future investments in workforce development.

The knowledge and skills of employees are the critical factors for economic success and international competitiveness in business. Yet, we continue to find that job seekers are less prepared or less able to compete in the modern workplace. There is a mismatch of skills and jobs, even during a time of downsizing.

Past programs traditionally focused on disadvantaged, unskilled youth and unemployed adults, which is, of course, important. However, we now must raise our sights higher, recognizing that America's future economic

competitiveness depends on lifelong learning and skill development of all workers.

Shortcomings of Traditional Programs

Past approaches to job training have accumulated over time in many separate, uncoordinated categorical programs. As a result, they often serve bureaucratic or institutional needs, rather than employer or client needs effectively. The exceptions are those programs that go out of their way to involve employers in the content of training, with a resultant match in skills for real jobs. Other documented problems, as you have heard today, include:

1. **Short-term services.** Training programs for unskilled, unemployed persons are often no longer than three to six months. There are built-in limits to what you can realistically accomplish in that short period. The results are that some participants get jobs, but they do not go far on a career ladder. This is, at best, a temporary fix.

2. **Training content is not tied to employer standards.** Program administrators in many communities fund activities that are not tied to standards for the knowledge and skills needed by employers or do not relate to a spectrum of skills which will contribute to longer term employment. What clients learn may fall far short of what employers need. When training is not directed by the real job market, it doesn't work and can result in bitter and lasting disappointment for persons seeking skills for real careers.

3. **Organizations doing the training often are not tied to the labor market or to real jobs.** Organizations are often funded to provide training services because of whom they are or what their role in local politics might be rather than on the demonstrated quality and responsiveness of their services to the job needs in the local labor market. Measurements against the effectiveness of the services provided is also often lacking.

Principles to Guide Future Programs

We can learn from the past, but by also looking at the current and future labor markets, we know a lot about what will affect people's ability to get jobs and enduring employability. I would make a few key recommendations.

1. **Invest heavily in early years of education.** A key component of future success in any of life's activities, but particularly in work, depends on a strong foundation in basic educational skills. Evidence is overwhelming that early educational gains can be maintained and built upon, but early losses are hard to overcome. Most educational attainment is influenced by experiences in the early years. Furthermore, we know from recent

studies that there is a direct relationship between a worker's education levels and higher earnings, improved employment prospects, more stable employment, and improved benefits. We need to set a strong base to allow for the lifetime necessity of, and ability for, continuous learning to adapt to the changing workplace.

2. **Ensure that training is tied to industry-recognized standards.** (People need to know what is required.) The use of industry-approved skill standards or employer-certified training is a critical component of effective programs. No training should be provided that is not linked to such standards. Standards are the benchmarks reflecting the employer's requirements for hiring, retention, and promotion. It relates to a spectrum of skills and levels of skills. Training should be funded only when service providers meet these standards. Youths and adults should not be disadvantaged in the job market because they received training not up to the high standards required by employers.

3. **Invest funds only in programs that are employer-certified, in some manner, as meeting skill needs.** At the state and local program level, it is important that both clients and employers have confidence that the skills are certified as effective in meeting employer needs. What qualifies as certification is a broad and complex issue, but one that can be managed.

4. **Programs should be held accountable for results.** The government should require that education and training provided under any federally-supported system meet both high academic standards set by states and industry-recognized skill standards set by business.

   All institutional training, including vocational and adult education, should be required to meet and be measured against the same high standards. Performance results and continuous improvement must be measured at the service provider, career center, and statewide levels of the system to ensure effectiveness and optimum utilization of training dollars.

5. **A business role in local program oversight would ensure that trainers are responsive to employer skill needs.** Business should have a central role in shaping the content of training programs to guarantee that the billions invested in a job training system are spent on real training for real jobs. Vocational and adult education and Wagner-Peyser Act (Job Service) functions should be subject to oversight and performance reviews by a local business board.

   An effective business role is needed to generate private sector confidence in the system. Without it, employers will not use the system. The

government should not spend billions on workforce development without this guarantee that it will lead to real jobs.

6. **Expand the length of training.** Experience demonstrates that we need to allow for longer term training. For disadvantaged individuals particularly, public programs need to be more flexible in allowing longer terms of education and training than is currently practiced. This will be increasingly true if larger portions of welfare recipients need training to get jobs. The training may take longer, especially if it is part-time, to meet employer expectations for durable employment and earnings gains.

Potential Legislative Framework

We have opportunities that can improve public policy in workforce development and some of these are described below:

1. **Pending CAREERS Act (H.R. 1617).** This legislation is currently in conference, sponsored by Senator Nancy Kassebaum and Reps. Bill Gooding and Howard (Buck) McKeon. It is a good bill that can bring workforce development systems into sync with the needs of employers and play a productive role in state and local economies. The bill ends the illogical patchwork of categorical programs, decentralizes program authority to states, creates user-friendly, one-stop career centers as the hub of effective labor market information, referral , and placement services. It provides a central role for employers in the design, management, and oversight of training, and would tie training to industry-developed standards.

2. **Expand industry-developed skill standards information.** (Schools, training institutions, parents, students employers all need to know what skills are required in the workforce.) I currently serve on the business-led National Skill Standards Board, Chaired by James R. Houghton, CEO, of Corning Incorporated, whose mission is to encourage voluntary partnerships to develop industry skill standards. This would focus on a system for development of national standards, within and across industries, enhancing career growth, economic security and portability. These voluntary skill standards will be developed by industry in full partnership with education, labor, and community stakeholders, and will be flexible, portable, and continuously updated and improved.

3. **Current development of State-based School-to-Work systems.** The current School-to-Work Opportunities Act of 1994, which will expire in 1998, provides seed money to help states and local school districts establish partnerships with business for this promising model. It coordinates rigorous school-based curricula with work-based learning applications to reinforce basic academic skills. It can keep students

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engaged in learning by application, not just seat them. It is intended to expand higher education and career options, not limit students to narrow career options. We should learn from some of the exciting state efforts already producing results.

Corporate World Example

Let me offer an example from the corporate world for how a system of job training can be viewed. In recent years, major corporations have set standards of quality, knowledge, and skills that must be met by suppliers and smaller networks of employers they do business with, to ensure continual improvement and consistent high performance (such as the ISO 9000 system of quality standards). The same principle can be applied to integrating federally supported job training systems. A coherent workforce development system through which people can get training would have to meet industry standards. People would know that the training is industry-recognized, valued, and perhaps even certified. The system would use only those institutions and trainers who could meet the standards. The training investment dollars available would be subject to accountability and a real return on investment for all stakeholders, employees, employers, unions, educators, communities, etc.

People going through such a public system would have the confidence that they can get industry-recognized credentials, from an industry-certified program of training, for good jobs in their community, or can take a portable credential to another community where work is available.

Bottom Line

The bottom line is clear. The quality of education and training, from early years throughout a lifetime, is the foundation for the productivity and economic security of the American workforce and the quality of life in our communities. It needs our urgent focus and attention.

Thank you, Mr. Chairman. I would be happy to answer any questions you may have.

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Mr. SHAYS. Thank you very much.

Mr. Davidson. I appreciate your understanding my predicament here. Mr. Davidson.

Mr. DAVIDSON. Thank you very much, Mr. Chairman, and committee. And I want to thank you for inviting me to speak today, but more importantly, I want to thank this committee for having the wisdom to go to the field and see direct services being provided to real people and then to have the foresight to bring those forward as we saw in the last panel.

Our Goodwill is 1 of 183 Goodwills in North America. We will serve about 17,000 people this year in New York City. We'll place about 1,100 people directly into jobs. And we will provide employment for another 365 severely disabled people in 3 industries we operate. We're a little different as a nonprofit in that we operate industries, and that gives us, we think, a better feel sometimes for the industry side of the equation.

Job training can be the essential ingredient in helping unemployed become employed and to gain the dignity of employment. But I know that there have been disappointments in the past with job training. And I think in most cases, at least in our cases, we know that this happened when there wasn't a full partnership between industry and the training provider.

We have never seen a time when the needs of industry and the workplace have changed so quickly. You mentioned your own computer skills. I happen to feel the same way, but——

Mr. SHAYS. That's not on the record, though, is it? [Laughter.]

Mr. DAVIDSON. And if those needs are going to change that rapidly, we have to be in direct contact with industry to determine what those needs are going to be.

Second, most of the training programs that we have been able to provide with governmental dollars have not provided enough emphasis or funding for follow-along services. And I'm going to give you an example of something we might do with follow-along services.

And third, many training programs are simply too short, and the funding is inadequate to take a person from where they're coming to a provider of services and to try to get them ready for private industry. And I think we have some suggestions for that, as well.

This is certainly a time of scarce public resources, and taxpayers are demanding efficiency and effectiveness. And I think we have to balance that with all the other needs that we have heard today.

We have three things that I think could help in the job training program effectiveness. One is partnering with industry. We must form true partnerships with industry that are mutually beneficial.

I am not referring to industry advisory councils, even though they can be helpful. I am recommending a partnership with individual companies that involves soliciting in some cases purchasing their input on training curricula, skills assessment, program evaluation, and job placement. We must have industry's input on what jobs currently exist in the workplace, what specific skills are required. In addition, we need to know the best way to teach those industry-specific skills.

We also need their advice on what skills will be needed to advance in this occupation. Let me give you a couple of examples that

we're working on presently. Goodwill is working with a city hospital to establish a family care clinic on our campus as part of our community redevelopment effort. As we talked with this hospital, we decided to establish a training program for medical occupations.

The hospital was very excited about this, indicating that training wasn't their primary objective. And often, they didn't know how to recruit people from inner city neighborhoods.

We are joining with that hospital. The hospital will design the curriculum based on their real world knowledge of what the skills are presently in their workplace, and Goodwill will recruit and screen unemployed people from inner city neighborhoods who have the potential of learning those skills. And we heard from an earlier presenter about the importance of evaluation at the front end of the process.

Then that hospital will agree with other hospitals they're affiliated with to give our graduates—not commit to a job, but commit to allow them to compete for a job. And I think that's very important. They have confidence that they will be able to hire people because they're involved in the codevelopment of this program.

Second, we're working with one of the major airlines to develop a travel services training program. This airline decided that it would privatize some of its in-house training and sell that curriculum.

We will be buying—licensing the use of that curriculum for use with other folks who come from inner city areas and training them to be travel service professionals. Whether that's in the airline industry or whether they decide to set up their own travel office, they need the same technology.

We're very happy to join into this arrangement because we will actually be buying the most up-to-date curriculum, and it will change as they have changes in their industry. Again, they have agreed to allow our graduates to compete for their positions. And also, our graduates will compete for positions with other companies.

Now, I would like to take just a second to tell you about a program we did that didn't work. And this was a program where we were trying to train people to be lens grinders in the ophthalmic industry. And this is a case where all parties were well-intentioned and, in fact, we were training good lens grinders.

But the industry changed so quickly that in New York City, many of the companies that used to have onsite help are now faxing their prescriptions to the Midwest, where labor is cheaper, the lenses are being produced there and shipped back to New York via Federal Express. So the wage rate for the people we were training or the wage rate for the occupational area, actually, dropped by a couple of dollars in less than 2 years.

When we took the grant, we were sure that we could place people at $7.50 to $8 an hour. By the time we finished the grant, we couldn't place them at that rate. So even though we placed them in jobs, we got no credit toward the program effectiveness. We decided that we were not in close enough contact with private industry, and we would discontinue that program and we would only do training programs in the future where we had a direct link with private industry.

Second, I think we need to provide follow-along job coaching services to ensure the long-term success of our placements. One of the biggest problems in our field is we only measure for 30, 60, 90 days. All of us in our heart of hearts know what happens in that first year.

After—as one of the panelists said, after the allure of the job wears off, many of our people run into obstacles, get discouraged, and quit. They reenter the system, they consume more dollars, and they go back in a spiral that costs all of us a great deal of money.

We have learned a lot with our early work with people with disabilities that we're applying with people of all kinds who are unemployed. Vocational evaluation is one of those things, but another is job coaching. We have a very large program in New York where we place very severely disabled people in private industry.

Private industry wouldn't have taken those people at any other time. They will take those people now because we have a job coach who goes with them to the job and provides intensive assistance to the employer and to the employee for the first 2 to 4 weeks that they're on the job.

They retrain, they help the client actually do the job at times, until that person is proficient. Then they wean their service away, and from that point on, they're available on a 24-hour-a-day basis via a beeper. And this has allowed us to save many jobs that would have been lost otherwise.

We're suggesting that a similar technique of job coaching would be very effective in working with other unemployed people, only the caseloads could be much larger because you didn't have to put in such intensive services.

Third, I believe that we must come to the point where we invest an appropriate amount of resources the first time around. As I said earlier, many of the training programs we do are extremely short in duration. We're not just dealing with the skills that industry needs us to teach.

We're also dealing with world of work skills, job survival skills, and job seeking skills that most of us in this room learn from our parents, our brothers, our sisters, and our friends who were in the job market.

But in the neighborhoods we serve, this transference of skills is not done informally. It has to be done formally.

Last, as we look at these strategies, I would say that you can give four cooks the same recipe, but you don't always get the same product. And I think we have to be very careful of overprescribing what might work in a training program.

And I think what we heard in the second panel I would agree with, which is that it's really the motivation and the desire of that training program to serve the needs of that consumer. And the best training programs I've come across are training programs where people asked the consumer what they needed, what they wanted, and then responded to that in a caring, dignified way.

And I have several other things that we might consider adding to that, but I know that time is short.

[The prepared statement of Mr. Davidson follows:]

STATEMENT OF

REX L. DAVIDSON
EXECUTIVE DIRECTOR
GOODWILL INDUSTRIES OF GREATER NEW YORK, INC.

BEFORE THE

SUBCOMMITTEE ON HUMAN RESOURCES AND INTERGOVERNMENTAL RELATIONS
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
U.S. HOUSE OF REPRESENTATIVES

APRIL 18, 1996

Mr. Chairman and Members of the Subcommittee,

On behalf of the Goodwill Industries of Greater New York, Inc.(GIGNY), I am pleased to offer my views on effective job training programs for the unemployed and people with disabilities. We commend the Subcommittee for conducting this hearing into this critically important issue.

GIGNY is one of 183 locally autonomous Goodwill Industries in North America. GIGNY operates 28 vocational programs and services that served over 17,000 individuals with disabilities and other disadvantaging conditions in 1995. We operate one of only two "one-stop career development centers" in New York City. We placed over 1100 people in competitive employment in 1995, creating significant economic and social benefits as formerly unemployed people became American taxpayers. In 1995 only 45% of GIGNY's revenue came from governmental sources (either grants or fee-for-service agreements). The rest of our revenue came from the three industries we operate and contributions from foundations, corporations, and individuals.

Job training can be an essential element that helps the unemployed gain the dignity of employment and helps society gain a productive, taxpaying citizen. But job training sometimes yields disappointing results when it is not developed in full partnership with the industry that will eventually hire its graduates. The needs of industry have never changed more rapidly and we have never needed their input more desperately. Secondly, most training programs do not provide for or fund follow-along services. Most jobs are lost in the first 6 months due to issues other than the employee's inability to perform the required skills. Thirdly, many job training programs are too short and the funding inadequate to address the complex needs of our inner city program participants. This results in unnecessarily high dropout rates and job failures. Many of these individuals end up back in the system consuming more resources.

This is a time of scarce public resources, and taxpayers demand efficiency and effectiveness. Based on our experience in the field, we offer 3 ways to improve the results of job training programs in inner city neighborhoods.

Partnering with Industry

We must form partnerships with industry that are mutually beneficial. I am not referring to industry advisory councils, even though they can be helpful. I am recommending a partnership with individual companies that involves soliciting, in some cases purchasing, their input on training curricula, skills assessment, program evaluation, and job placement. We must have industry's input on what jobs currently exist in the workplace and what specific skills are required. In addition, we need to know the best way to teach industry-specific skills. We also need their advice on what skills will be needed to advance in this occupation. Industry can:

a) determine where they are having trouble filling job openings and therefore are more receptive to our trainees.

b) determine what industry-specific and generic job skills are necessary for success. These skills should be prioritized to insure that the most important are covered.

c) determine minimum levels of competency for graduation in all essential skills.

d) commit to allowing graduates to compete for open positions in their own company and encouraging like industries to do the same.

e) determine the appropriate length of training, at least as far as the industry specific skills go, based on their real-world experience. The training agency will need to add time based on their experience in teaching "world of work" skills, job seeking skills, and job survival skills.

f) play a role in monitoring the training process and evaluating the program results. Recommendations for continuously modifying the program to meet the ever-changing requirements of industry are best made by industry.

The role of the training agency is an important complement to industry's role. The training agency is skilled at recruiting special populations and in teaching the more generic skills they are often lacking. The training agency has a special affinity for these program participants and is skilled at providing the support services necessary to enable the individual to complete training and to succeed in employment.

As an example, GIGNY is working with a New York City hospital to establish a family care medical clinic on our Astoria campus. We will also establish a training program for medical services occupations in cooperation with this same hospital. The hospital will design the curriculum based on their real-world knowledge, and GIGNY will recruit and screen unemployed people from our inner city neighborhood. We will teach the generic skills, but the hospital will join with us in teaching the industry-specific skills. They, along

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with other affiliated hospitals and clinics, have committed to hiring our graduates, due to their confidence in this co-developed program.

We are also developing a travel services training program in partnership with one of the major airlines. They will train our trainers and license GIGNY to use their in-house curriculum, as well as having "real time" computer access to their national reservations system. Here again, they are eager to hire our graduates, as they are true partners in the training process.

Follow-along Job Coaching Services Insure Long Term Success

GIGNY has become quite proficient at placing individuals with severe disabilities in competitive employment through the use of supportive job coaching services. The job coach provides support and ongoing training to the person placed in employment as well as to the employer. This highly successful technique can work equally well in assisting the unemployed in obtaining and holding a job.

The job coach's initial role is that of matchmaker. The program participant with the right skills and chemistry is placed with the right employer. The needs of both the employer and the employee must be met if the marriage is to last. Next, the job coach provides as much assistance as necessary to orient and train the person on the job. The coach also provides as much assistance as requested by the employer to prepare the work environment to receive the new employee. Once a successful job match is made the job coach remains on call 24 hours a day to smooth out any rough spots that may come up for either the employee or the employer. It is surprising how many jobs can be saved with a minimum of intervention. The job coach also finds out from the employer what skills will be required to qualify for promotion and then helps the employee begin to locate the resources necessary to gain those skills in after-work hours. This allows the person to begin climbing the career ladder which will in turn encourage them to remain employed. Lastly, the job coach occasionally serves as a divorce counselor when an appropriate match is not achieved or when circumstances change. He will attempt to preserve the relationship with the employer and assist the employee in finding new employment. This minimal investment in follow-along services can yield tremendous savings in taxpayer dollars, because the person is much more likely to keep the initial job and not require additional services. If they lose their job, they are much more likely to become re-employed without requiring any additional services other than those offered by the job coach. An ounce of prevention is worth a pound of cure.

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Invest in Appropriate Training the First Time Around

GIGNY's experience in job training indicates that we are often not allowed enough time to provide the industry-specific skills and the world-of-work, job-seeking and job-survival skills necessary to properly prepare our inner city program participants for the current job market. They often come to us with an inadequate formal education, as well as a host of other problems that must be addressed before they will be ready to be productive in the workplace. Follow-along services allow for on-the-job training to teach some of the skills missed in the classroom training. In our opinion a greater investment in the initial training and job coaching services will yield long-term benefits for both the taxpayer and the program participant.

Again, Mr. Chairman, Goodwill Industries of Greater New York appreciates this opportunity to discuss our recommendations on improving the effectiveness and efficiency of the job training programs.

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Mr. SHAYS. Mr. Davidson, I appreciate your testimony. I particularly admire Goodwill Industries, because they have been there for years, and well before it was popular to talk about some of these issues and to focus in on them much.

Mr. Carswell, I know you have been involved in this issue for such a long time. I apologize to all three panelists that I will be leaving, because I have to be at the Capitol at 2, and Mr. Towns will conclude this hearing.

But what I—you kind of touched on it. The bottom line is that you can use the same ingredients, but it doesn't always come out to look like the same cake. And that's, I think, a helpful reminder to all of us. But I thank all three of you for what you're doing.

Marriott Industry, I know you have come before us before in hearings about how you have utilized workers in the job training program, and it has been very helpful. I'm just sorry I won't hear your testimony, but I thank you.

Mr. TOWNS [presiding]. Ms. Tully.

I'm sorry. Did you finish?

Mr. DAVIDSON. I'm finished, yes.

Mr. TOWNS. Ms. Tully.

Ms. TULLY. I'm here today in my capacity as a director of community employment and training programs for Marriott International and as vice chair of the Employer Committee for the President's Committee for the Employment of People with Disabilities.

For the past 17 years, I've been responsible for developing programs designed to recruit and train entry-level workers for Marriott's hotels and food service divisions. Among these are our Pathways to Independence Program. This involves 6 weeks of pre-employment training combined with classroom and occupational skills training on-site, usually on our hotel property.

This program includes job placement at graduation. It is in 16 cities and includes a national contract with the Job Corps. To date, we have graduated over 500 people, and we have an average of an 80 percent retention rate.

Marriott first began to look at the possibility of hiring individuals on public assistance as a result of the enactment of the Targeted Jobs Tax Credit Program. This incentive made it economically feasible for us to not only change our hiring practices but to also revamp our training programs while addressing the problems faced by those with poor educational backgrounds and sporadic job histories.

From our TJTC experience, we know that when we recruit someone who has been on welfare, it will cost us more to train and retain them than if we hired more experienced workers. Recently, the Society for Human Resource Management surveyed its members and found that it costs an average of $900 to recruit an entry-level worker. We at Marriott believe our costs are at or near that figure.

TJTC went a long way to leveling the playing field for applicants for these targeted populations. In the past, through Marriott's participation in TJTC, we established relationships with various community-based organizations, assuring us a strong applicant flow of welfare recipients and disadvantaged youth.

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We found that the persons we hired for these programs had little or no work experience. Through my personal involvement in coaching and counseling with these folks, I discovered a whole different world of attitudes and expectations. Many basic behaviors that we simply take for granted are foreign to their way of life. I think we saw that today in the second panel, just some of the challenges that these folks face.

Probably one of the biggest things that everybody has to deal with is attitude. In some of my dealings with them, I found that some of their excuses for tardiness were such as, "I just don't have an alarm clock." "The bus came early." "I forgot my schedule." Taking responsibility for their behavior is not a consideration, and it takes a lot of time and patience to work toward this understanding.

No call, no show is a severe problem, and it's something that our managers have to work with. When you come and you're a guest in the hotel, you don't want to hear our problems that people didn't show up. You want your room, you want it clean, and you want your meal on time. And that's something we have to deal very much with with our coaching and counseling.

It's imperative that you understand that without this time-consuming coaching and counseling, these folks will be caught up in the revolving door of failure after failure. Therefore, many of them know nothing but failure. And the belief that it will inevitably happen again keeps them from trying. Lack of self-esteem, as mentioned many times today, makes their fears a self-fulfilling prophecy.

Government-subsidized job training programs are a must and will be a sound investment in providing assistance to individuals to make the transition into employment. In studying the targeted population for job training programs, we must realize that not everybody is ready for formal, structured training programs. Because of limited training funds, it's necessary to choose those who are somewhat prepared for the experience.

In considering programs targeted to disadvantaged persons on welfare, I urge you to consider among them the Work Opportunities Tax Credit Program. Through this program, individuals will receive basic work experience which will serve as a fundamental tool for preparing these individuals to enter training for jobs requiring higher skills.

In response to some legitimate concerns about the old TJTC Program that were expressed by the Department of Labor's Office of the Inspector General, a coalition of employers, trade associations, and representatives of community-based organizations developed in cooperation with tax-writing committees a new program, which is the Work Opportunities Tax Credit, which was included in last year's reconciliation bill.

WOTC remedies the major criticisms of the old program. Marriott actively participated in that effort, and I believe that what has been developed not only eliminates these concerns, but also results in objective eligibility criteria.

I want to thank the committee and this Congress for undertaking the tough job of putting this country on the road to a balanced budget. Employers also have to balance their budgets by eliminating waste and by hiring the most productive work force we can at-

tract. We at Marriott consider WOTC as essential to offsetting the extra costs, risks, time, and energy necessary to engage in hiring disadvantaged job seekers.

Marriott believes that we have helped many economically disadvantaged people to cross the long bridge between the culture of welfare dependence to personal responsibility and pride that is involved in doing a job right. We hope the subcommittee, in looking into the future of job training, will recognize the important role the new WOTC program can play in helping to move those eligible into productive work experience. Thank you.

[The prepared statement of Ms. Tully follows:]

STATEMENT OF
JANET TULLY, MARRIOTT INTERNATIONAL
ON WORK OPPORTUNITIES TAX CREDIT AS RELATED TO JOB TRAINING
BEFORE THE SUBCOMMITTEE ON
HUMAN RESOURCES AND INTERGOVERNMENTAL AFFAIRS OF THE
GOVERNMENT REFORM AND OVERSIGHT COMMITTEE

APRIL 18, 1996

Good morning, my name is Janet Tully and I am here today in my capacity as Director for Community Employment and Training for Marriott International. For the past 17 years, I have been responsible for developing programs designed to recruit and train entry level workers for Marriott's hotels and food service divisions.

Marriott first began to look at the possibility of hiring individuals on public assistance as a result of the enactment of the Targeted Jobs Tax Credit (TJTC). This incentive made it economically feasible for us to not only change our hiring practices, but to also revamp our training programs while addressing the problems faced by those with poor educational backgrounds and sporadic job histories.

From our TJTC experience, we know that when we recruit someone who has been on Welfare, it will cost us more to train and retain them then if we hired more experienced workers. Recently, the Society for Human Resource Management, surveyed its members and found that on an average it costs $900, to hire an entry level worker. We at Marriott, believe our costs are at or near that figure. TJTC went a long way to leveling the playing field for applicants from these targeted populations.

In the past, through Marriott's participation in the Targeted Jobs Tax Credit Program we established relationships with various community based organizations assuring us a strong applicant flow of Welfare Recipients. We found that the persons we hired through these programs had little or no work experience. Through my personal involvement in coaching and counseling with these folks, I discovered a whole different world of attitudes and expectations. Many basic behaviors that we simply take for granted are foreign to their way of life. Excuses for tardiness such as, "I don't have an alarm clock", "the bus came early", "I forgot my schedule", are commonplace. Taking responsibility for their behavior is not a consideration, and it takes a lot of time and patience to work towards this understanding. It is imperative that you understand that without this time consuming coaching and counseling, these folks will be caught in the revolving door of failure after failure. Therefore, many of them know nothing but failure, and the belief that it will inevitably happen again keeps them from trying. Lack of self esteem makes their fears a self-fulfilling prophecy.

Government subsidized job training programs are a must and will be a sound investment in providing assistance to individuals to make the transition into employment. In studying the targeted population for job training programs, we must realize that not everybody is ready for a

formal, structured training program. Because of limited training funds, it is necessary to choose those who are somewhat prepared for the experience. In considering programs targeted to disadvantaged persons on Welfare, I urge you to consider among them the Work Opportunities Tax Credit Program (WOTC). Through this program, individuals will receive basic work experience which will serve as a fundamental tool for preparing these individuals to enter training for jobs requiring higher skills.

When considering programs to help those on Welfare or at risk of going on Welfare to enter the workforce, I urge you to consider the Work Opportunities Tax Credit (WOTC) which was designed as the successor program to the now expired Targeted Jobs Tax Credit. The WOTC public private partnership provides individuals with the basic work experience they will need to enter the training programs they will need for the high skill jobs of the future.

In response to some legitimate concerns about the old TJTC program that were expressed by the Department of Labor's Office of Inspector General, a coalition of employers, trade associations, and representatives of community based organizations developed in cooperation with the tax writing committees, a new program, the Work Opportunities Tax Credit which was included in last year's Reconciliation bill. WOTC, remedies the major criticisms of the old program that some employers were receiving a windfall because they didn't know at the time of hire that they were hiring an eligible individual and that the eligibility standards were too subjective. Marriott actively participated in that effort and I believe that what has been developed not only eliminates the windfall issue, but also results in objective eligibility criteria.

The individuals who are eligible for WOTC are in hard-to-hire categories, e.g. Welfare recipients, economically disadvantaged veterans, ex-felons, youth in families receiving food stamps and persons with disabilities, who experience almost 70% unemployment nationwide. Today's job market is extremely competitive and WOTC and Job Training programs are becoming more essential - especially for people on welfare - otherwise they cannot possibly compete with more skilled, experienced applicants.

I want to thank the Committee for addressing the tough issue of directing the country on a path leading toward a balanced budget. We employers also have to balance our budgets by cutting waste and by investing in recruiting and training a diverse work force. We consider WOTC to be essential for offsetting costs of hiring disadvantaged job seekers, helping them cross that long bridge between the two "cultures" of Welfare and responsibility, and preparing to enter training and advance in their jobs and careers.

Mr. TOWNS. Thank you. And let me thank all of you for your testimony. I think that your testimony is very, very important because if we're going to make this work, we all have to talk to each other.

And I think that that's essential, the fact that if we do not know what you're looking for, then it's impossible to train the kind of person to be able to do the job. So I think that this ongoing dialog, ongoing communication is necessary if we're going to be successful.

Ms. Tully, let me ask you, what are the improvements of the Work Opportunities Tax Credit Program over its predecessor, TJTC?

Ms. TULLY. Well, some of the concerns that they had with the TJTC Program was what they called the windfall issue, that the employers would have hired the people anyway. And that was something that they all discussed. One of the problems it had was that because of concerns with EEO regulations, we were not able to screen the people for eligibility before we made a hiring decision.

If we asked the questions that it was necessary to ask to determine eligibility, we were asking some very, very personal questions. And if we didn't offer the job, we stood the chance of being sued for some kind of discrimination.

So therefore, most employers, what we did was we—in particular in Marriott, we set out outreach programs, and we did go in and reach the organizations and community-based organizations that did supply us with that type of work force but never knew until we actually made a hiring decision and then asked them to fill out the screening form to see if they were indeed eligible for the program.

That was really not the best way to handle it, but that was the best way we could deal with the legislation as it stood. With WOTC, the way it's set up now is that it acknowledges that fact. It states in the legislation that you must do the screening beforehand. It has gone through with the blessing of the EEOC, where we will ask those questions beforehand. And we must prove in writing that we have asked those questions before we have made a hiring decision.

I think it's a very good move, and it's something we're looking forward to. It will help us actually to find more people who will be eligible for these programs.

Mr. TOWNS. Now, there's a bill on the House side and also a bill in the Senate, the number of work hours required before an employer could claim a tax credit has been increased. Should we be concerned that the House bill increases the number of required work hours from 120 in the TJTC program to around, I think, 500 in the new program?

Ms. TULLY. Yes.

Mr. TOWNS. Aren't we reducing the incentives for private sector to participate in this new program?

Ms. TULLY. That is a major concern with companies and with myself just even in setting up the program to get it started again with our folks. Before, it was 120 hours, which was reachable within a few weeks. Five hundred hours works out to be somewhere around 6 months.

We're asking our managers to reach out and hire people who are at a very high risk of turning over, that the amount of time and

effort they're going to put in coaching and counseling and everything, it's going to be 6 months before they will get any kind of a credit to the wage that they're paying these folks.

It has been our experience at Marriott that 73 percent of the people who do turn over is beyond the control of the manager. They turn over, either they go to other jobs, or they choose to go somewhere else. But it isn't that we're terminating them and we're trimming them or anything else. It's a self-termination, where they leave on their own.

So the manager takes somebody who has no work experience, works with them, gets them going, and maybe after 3 months, maybe after 200 hours of work, they find another job, another job that they like better. Maybe they don't want to be in the hotel business. Maybe they'll find something else. We all know it's easier to find a job when you have a job.

So they have a job. They find something else. They go on from there. And they go on their way to successful employment. And meanwhile, our manager, we didn't get any tax credit, and our manager spent so much extra time without any kind of reimbursement. It's going to be extremely difficult for them to work to see 500 hours. It's an incentive that's so far away.

Mr. TOWNS. And you've probably provided a great service by preparing them for the next interview and, of course, the next job.

Ms. TULLY. We believe we did. We hope so.

Mr. TOWNS. I'm sure you have, because as you know now, that many groups out there are saying that it's important to send trainees to interviews, to send them to interviews to sort of get them in the habit of being interviewed and that as a result, they feel a lot more comfortable. And I'm certain that that kind of exposure is very, very helpful. So I understand the point.

Let me just move to you, Mr. Davidson. You made a comment that I would like for you to expound on just a little further. And you said that we should not be involved unless there's a direct link. Now, in terms of training, are you talking about in terms of a direct link—could you explain in terms of exactly what you mean by this direct link?

Mr. DAVIDSON. Yes. Goodwill has decided—our Goodwill has decided that it will not get involved in formal skills training programs for a specific industry unless we have an industry partner, someone—one of the industries that would be hiring these folks who would actually work with us directly on designing the curriculum, judging its effectiveness, its program effectiveness as it goes along, and committing to interviewing and giving our graduates an equal opportunity at their openings.

So that's the linkage we're looking for, more than just an advisory linkage, which is what you often get from an advisory council, which is helpful, but it's not as helpful as having the actual industry work with our staff in designing the program.

Mr. TOWNS. Mr. Carswell, why can't we have more of that kind of activity? Because that way, I think we can cut down on our failures.

Mr. CARSWELL. Well, you can have more of that activity. If you take that first bullet and say, "Who really is the client?" the client is both the potential employee, the employer, and the educational

or training organization. The three of them are clients in terms of what you're trying to fund.

If you start with that premise, then you want training for people against jobs which really exist today and have some durability. And when I say that, training toward those jobs, it not only includes the skills to actually perform that job, but I would submit it includes how to interview, it includes how you start to manage your own career and think of, "What training do I take next so I can move on in the spectrum?"

And I think that takes a dialog between all the three clients, and then however it's funded, whether it's funded by government or funded by the private sector or whether the three sectors including the employee put some skin in the game, as that young lady described in that panel before who did some self-educating funding along the way. And then it breeds a commitment and a workplace and an opportunity which is more enduring.

I would just mention in terms of linking it to local employer needs—and we conducted a hearing in Miami last week of the National Skill Standards Board, and there's an issue, do you link skill standards just to local employer needs, which then can breed every county creating its own training program, or can you take jobs such as described as customer service, electronic technician, which the Electronic Industry Association has come up with a national standards for.

They have done that in the hospitality and restaurant industry for certain jobs. And those can result in a certification of core skills which are transferable. And a person not only has their job, but they have a kind of a certification, however you want to define that, so that they can move from place to place in managing their own career going forward, which creates more of an end-to-end system. And I think all of those things coming together are vital to a total plan.

Mr. TOWNS. Well, I think that we some way or another have to sort of become closer connected. Because if not, I think that we will waste resources, and I don't think that we can afford the luxury of wasting resources.

I was just thinking in terms of Ms. Tully, I think that your role is something that is not really explained in a way that people fully and truly understand the service that you provide. Even if they pass through and they only stay for a period of time, you have provided a tremendous service, because you involve some times in terms of talking about the proper attire, how you dress, what you do, and that takes time.

If you have someone that has never worked before, if we're serious about putting people to work—and if we are, then we have to recognize in terms of what we're doing. And I'm hoping that somewhere along the line, that we can get that message out, as well, that the service that you're providing is very, very important and that we should not forget that.

So I'm hoping that programs like that will be expanded if we are serious about putting people back to work. Sometimes, it's rhetoric, because if it plays well when we're doing our political thing and we're not—no real commitment. But I do feel that this committee is committed to doing something. And regardless—both sides here.

And I think that we—that's one thing we agree on. And I think that we plan to be very active in sort of getting the message out. If it requires field hearings or whatever it takes, I think the chairman has indicated that he's committed to raising it to that level. And I think that if we do that, then we can save some lives.

Because I think that there's a correlation between unemployment and crime. I've never been without a job, I must admit, but I think about if I did not have one, I don't know what my behavior would be. I don't want that experience. And I think that we're doing a disservice to a lot of people when we don't help them to get over that first hurdle. And I think that we need to make certain that the barriers are removed.

And I would like to say to GAO that we appreciate the work that they're doing. And I think that by taking this information and sitting down with everybody, that I think we can do much better.

So let me thank you all for your testimony. We look forward to working with you in the days and months ahead to be able to do a much better job in terms of with our resources that we have and also to thank you for the job that you're doing. Thank you very much. This hearing is adjourned.

[Whereupon, at 2:10 p.m., the subcommittee was adjourned.]